



• AN INFORMED BUYER IS A BETTER BUYER •

The National Insurance Buyer

CORPORATE INSURANCE MANAGEMENT



TYLER DAVIDSON FOUNTAIN, CINCINNATI, OHIO

(Photo courtesy: Cincinnati Chamber of Commerce)

AMERICAN SOCIETY OF INSURANCE MANAGEMENT

Volume 6

JANUARY 1959

Number 1

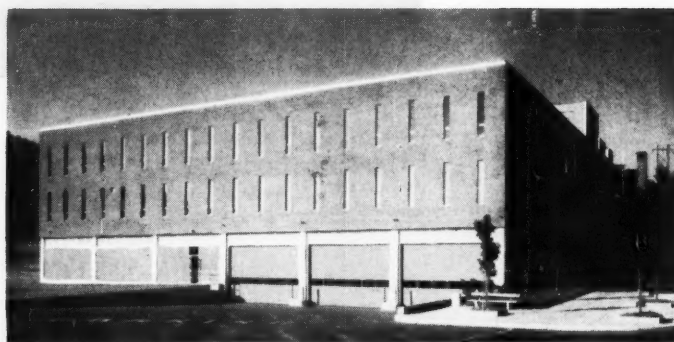
ADT *Automatic* Protection Guards 8 Polaroid Plants

makers of world-famous Polaroid Land Camera



get greater security against

FIRE and **BURGLARY** and *SAVE \$32,000 a year*



Polaroid's Waltham, Mass. plant, selected by Factory as one of country's "Top Ten" for 1958. Photo taken with Polaroid Land Camera.



Controlled Companies of

**AMERICAN DISTRICT
TELEGRAPH COMPANY**
A NATIONWIDE ORGANIZATION

Executive Office

155 Sixth Avenue, New York 13, N. Y.

"Automatic protection for our eight plants in the Boston-Cambridge area has given us a high degree of security, with a saving of \$32,000 a year in watch expense," says Edward Dubois, Supervisor, Building Services and Security.

Sprinklered, of course, the buildings are further safeguarded against fire by ADT Sprinkler Supervisory and Waterflow Alarm Service, which automatically summons the fire department whenever the system operates. This service also maintains a constant automatic check on shut-off valves and other water supply conditions.

All high-value locations are protected by burglar alarm service to summon police automatically in case of attack on doors, windows and other vulnerable points. Where necessary, ADT also automatically supervises steam pressure and various heating conditions. In all cases, ADT provides regular inspections, tests and complete maintenance of the equipment.

May we show you what ADT can do for you?

An ADT specialist will show you how the right combination of automatic services can save you money and give better protection to property, profits and employees' jobs. Call our local sales office if listed in your phone book or write to our Executive Office.

PETER A. BURKE
Managing Director
American Society of Insurance
Management, Inc.
8 West 40th Street
New York 18, N. Y.

OFFICERS OF ASIM

H. STANLEY GOODWIN, President
McKesson & Robbins, Inc.

W. HOWARD CLEM, 1st Vice President
Schlumberger Well Surveying Corp.

T. V. MURPHY, 2nd Vice President
Maryland Shipbuilding & Drydock Co.

F. W. NORCROSS, Treasurer
The Budd Company

MERRITT C. SCHWENK, JR., Secretary
Freuhauf Trailer Company

REGIONAL VICE PRESIDENTS

B. M. HULCHER
Southern States Cooperative, Inc.

RALPH W. LOW
Westinghouse Electric Corporation

WILLIAM A. MILLER
Richfield Oil Corporation

D. C. MORRIS
Chance Vought Aircraft, Inc.

HORACE V. NOLAND
M. F. Patterson Dental Supply Co.

FRANK W. PENNARTZ
Food Fair Stores, Inc.

RICHARD PROUTY
The Norton Company

CHARLES H. THIELE
Federated Department Stores, Inc.

DIRECTORS

BARNEY E. CARNES, JR.
Delta Air Lines, Inc.

ROBERT M. CONE
General Motors Corporation

CHARLES R. GARTON
Atlantic City Electric Company

CHARLES G. GOULD
Bay State Abrasive Products Co.

CASIMIR Z. GREENELY
International Minerals & Chemical Corp.

ALBERT J. HABERER
The Procter and Gamble Company

J. G. HARPER
Northern Electric Company, Ltd.

HARVEY HUMPHREY
Title Insurance & Trust Company

FRANK A. HUNTER
Eastern Gas & Fuel Associates

WM. D. McGUINNESS
Standard Oil Company of New Jersey

FRED J. MATTSON, JR.
West Coast Lumbermen's Association

M. C. PETERSON
Wisconsin Electric Power Company

J. DONALD PRINCE
The Hecht Company

T. T. REDINGTON, JR.
Dresser Industries, Inc.

EDWARD C. STOKELY
Dow Chemical Company

R. GEHL TUCKER
A. E. Staley Manufacturing Company

HOWARD T. WEBER
Minnesota Mining & Manufacturing
Company

O. A. WEES
Crown Zellerbach Corporation

A. GRANT WHITNEY
Belk Stores, Inc.

The National Insurance Buyer CORPORATE INSURANCE MANAGEMENT

Linda Burke, Editor

Eight West Fortieth Street, New York 18, N. Y.

About the cover . . .

The Tyler Davidson Fountain, the Spirit of Water (1871), dominates Fountain Square in the business section of Cincinnati. Designed by the German sculptor, August von Kreling, it was cast at the royal foundry in Munich and given to the city by Henry Probasco.

On the north side of the pedestal is the name "Tyler Davidson"; on the south, "Henry Probasco"; on the east "To the People of Cincinnati"; and on the west, "1871."

About the pedestal are fluted basins ornamented with shells, coral reefs of water lilies. From the center rises a shaft, spread at the top with interlaced vines and foliage and about these are four groups. On the north is a workman standing upon a burning roof and imploring the aid of water. At the south is a farmer standing in the midst of a field where may be seen the effects of a drought. Upon these two groups the Genius of Water is dropping a gentle spray. At the west is a young girl offering water to an old man with crutches. On the east is a mother, partially nude, leading her naked and reluctant boy to the bath.

The central and crowning figure is the Genius of Water, a female in flowing robes standing over all with outstretched arms from which fall the life-giving sprays.

We Honor . . .

Cincinnati Area Insurance Managers, a chapter of the American Society of Insurance Management, Inc., on the occasion of its Insurance Conference on Wednesday, January 28, 1959, at the Netherland-Hilton Hotel in Cincinnati, Ohio.

This chapter was one of the first to affiliate with the American Society of Insurance Management, Inc. It was the first and only chapter of ASIM to elect a woman president, Mrs. L. M. Clore (1953-1954) (general chairman of the Insurance Conference). Its members represent companies of international renown.

The officers and members of the American Society of Insurance Management, Inc., through *The National Insurance Buyer*, are proud to honor the Cincinnati Area Insurance Managers, ASIM, and to congratulate its officers and members for planning and executing an Insurance Conference of such gigantic scope.

In This Issue . . .

	Page
Deductibles and All-Risk Physical Damage Insurance	6
by Bradford Smith, Jr.	
A Theory of Risk Discovery	8
by A. Hawthorne Criddle	
Compensation for Injuries Without Regard to Fault	10
by Edward P. Gallagher	
New Members of ASIM	12
Insurance Conference — Cincinnati Area Insurance Managers, ASIM	
Officers and Committee Chairmen	22
Program	24 and 25
Who's Who at the Conference	23, 26, 27
Chapter Directory	43
Roster of Members — ASIM	44, 45, 46, 47, 48

The National Insurance Buyer, published bi-monthly as the official publication of The American Society of Insurance Management, Inc., 8 West 40th Street, New York 18, New York. Linda Burke, Editor. Copyright 1959 by the American Society of Insurance Management, Inc. Subscription \$5.00 a year. Advertising rates on request.



He Answers Million Dollar Questions—

Millions of dollars may be at stake in a company's insurance program. That's why your insurance broker must know his business—and know it well.

Every account executive at Johnson & Higgins, like the man above, backs up his own expert knowledge with the experience of a world-wide network of trained specialists in every phase of the insurance business. In this way, year after year, our size has proved an asset to corporations and business firms throughout the world.

Johnson & Higgins account executives have been called on to help plan many million dollar insurance programs—and countless others of smaller size. If your company has a problem in insurance planning, regardless of size, you can call on J&H for expert help.

JOHNSON & HIGGINS

**INSURANCE BROKERS—AVERAGE ADJUSTERS
EMPLOYEE BENEFIT PLAN CONSULTANTS**

63 WALL STREET • NEW YORK 5

*Chicago • San Francisco • Los Angeles • Detroit • Cleveland • Philadelphia • Pittsburgh • Buffalo
Seattle • Wilmington • Minneapolis • Atlanta • Vancouver • Winnipeg • Montreal • Toronto • London
Havana • Rio de Janeiro • São Paulo • Curitiba • Caracas • Maracaibo • Puerto La Cruz*

H. Stanley Goodwin

Elected President

of the

American Society of Insurance Management, Inc.

H. Stanley Goodwin, Vice President of McKesson & Robbins, Inc., New York, N. Y., was elected President of the American Society of Insurance Management, Inc., at the Seventh Annual Meeting of ASIM held at The Drake, Chicago, November 16th-17th, 1958.

Mr. Goodwin succeeds Joe T. Parrett of the Carnation Company, Los Angeles, California, who will serve as Chairman of the Executive Committee.

Serving with Mr. Goodwin are: W. Howard Clem, Schlumberger Well Surveying Corporation, Houston, Texas, 1st Vice President; T. V. Murphy, Maryland Shipbuilding & Drydock Company, Baltimore, Maryland, 2nd Vice President; F. W. Norcross, The Budd Company, Philadelphia, Pennsylvania, Treasurer; and Merritt C. Schwenk, Jr., Freuhauf Trailer Company, Detroit, Michigan, Secretary.

Peter A. Burke will continue as Managing Director with offices in New York at 8 West 40th Street.

Because of the rapid growth and expansion of the American Society of Insurance Management, five Regional Vice Presidents were elected at the annual meeting. They are:

Region #1—New England States — Richard Prouty, The Norton Company, Worcester, Mass.; Region #2 — Mid-Atlantic States — Frank W. Pennartz, Food Fair Stores, Philadelphia, Pa.; Region #6 —



H. Stanley Goodwin

H. Stanley Goodwin, Vice President of McKesson & Robbins, Inc., New York, is president of the American Society of Insurance Management, Inc.

Mr. Goodwin attended Kent School and Princeton University; was a Lieutenant Commander, U. S. Navy in World War II.

He joined McKesson & Robbins, Inc., in September 1947 as Assistant Vice President, in charge of the Insurance Department and was elected Vice President in 1957.

H. Stanley Goodwin is a past president of New York Chapter, ASIM, and a member of the Insurance Committee of the Chamber of Commerce of the United States.

Northwest States — Horace V. Noland, M. F. Patterson Dental Supply Company, St. Paul, Minn.; Region

#7 — Southwestern States — David C. Morris, Chance-Vought Aircraft, Incorporated, Dallas, Texas; Region #8 — Pacific States — William A. Miller, Richfield Oil Corporation; Los Angeles, California.

Hold-over Regional Vice Presidents are: Region #3 — South Atlantic States — B. M. Hulcher, Southern States Cooperative, Inc., Richmond, Virginia; Region #4 — Mid-Western States — Charles H. Thiele, Federated Department Stores, Cincinnati, Ohio; and Region #2-A — Mid-Atlantic States — Ralph W. Low, Westinghouse Electric Corporation, Pittsburgh, Pa.

The American Society of Insurance Management, Inc., has 17 chapters in the principal cities of the United States and one in Montreal, Canada. Each chapter is represented on the Board of Directors:

Atlanta, Georgia — Barney E. Carnes, Jr., Delta Air Lines, Inc., Atlanta, Ga.; Central Illinois — Gehl Tucker, A. E. Staley Manufacturing Company, Decatur, Illinois; Central Massachusetts — Charles G. Gould, Bay State Abrasive Products Company, Westboro, Mass.; Chicago — Casimir Z. Greenley, International Minerals & Chemical Corporation, Chicago, Illinois; Cincinnati — Albert J. Haberer, The Procter & Gamble Company, Cincinnati, Ohio; Dallas-Fort Worth — T. T. Redington, Jr.,

(More on page 4)

ASIM

(From page 3)

Dresser Industries, Inc., Dallas, Texas; Delaware Valley — Charles R. Garton, Atlantic City Electric Company, Atlantic City, New Jersey; Detroit — Robert M. Cone, General Motors Corporation, Detroit, Michigan; Houston — Edward C. Stokely, Dow Chemical Company, Freeport, Texas; Maryland —

J. Donald Prince, The Hecht Company, Baltimore, Maryland; Minnesota — Howard T. Weber, Minnesota Mining & Manufacturing Company, St. Paul, Minnesota; New York — Wm. D. McGuinness, Standard Oil Company of New Jersey, New York, N. Y.; Montreal — J. G. Harper, Northern Electric Company, Limited, Montreal, P.Q. Canada; Northern California — O. A. Wees, Crown Zellerbach Corpora-

tion, San Francisco, California; Oregon — Fred J. Mattson, Jr., West Coast Lumbermen's Association, Portland, Oregon; Pittsburgh — Frank A. Hunter, Eastern Gas & Fuel Associates, Pittsburgh, Pa.; Southern California — Harvey Humphrey, Title Insurance and Trust Company, Los Angeles, California; Virginia - Carolina — A. Grant Whitney, Belk Stores, Inc., Charlotte, North Carolina.



BOARD OF DIRECTORS - CHAPTER PRESIDENTS
THE DRAKE - NOVEMBER 16, 1958.

Seated, left to right: Horace V. Noland, Charles G. Gould, T. V. Murphy, Paul G. Stickler, B. E. Kelley, Robert M. Cone, Harvey Humphrey, Frank W. Pennartz, Miss Wheeler, Joe T. Parrett, W. Howard Clem, A. J. Haberer, William E. Reimer, Roy A. Balling, Fred J. Mattson, Jr., George A. Mearns, Raymond V. Brady, C. Henry Austin, H. Stanley Goodwin, George M. Betterly. Standing, left to right: Ralph W. Low, Wesley A. Johnston, Casimir Z. Greenley, Richard E. Blakley, F. L. Kiernan, Charles R. Garton, Barney E. Carnes, Jr., Charles H. Thiele, William B. Quay, Jr., R. W. Rainwater, and Peter A. Burke.

Seattle Becomes the Fourth Westcoast Chapter of ASIM

Application for membership in The American Society of Insurance Management, Inc., and a charter as a local chapter of ASIM have been made by prominent companies in the Seattle, Washington area, through their respective corporate insurance managers.

A formal meeting for the adoption of By-laws and the election of officers is to be held in January. Thus making

Seattle the fourth chapter of the American Society of Insurance Management, Inc., on the Pacific Coast.

Boeing Airplane Company, Pacific American Fisheries, Inc., and Weyerhaeuser Timber Company have been members of the American Society of Insurance Management, Inc., for some time.

The companies whose new applications for membership have been accepted are:

General Construction Company, Halferty Canneries, Inc., New England Fish Company,

Pacific Car and Foundry Company, Peoples National Bank of Washington, Puget Sound Bridge and Dredging Company, Puget Sound Power & Light Company, Seattle First National Bank, Simpson Timber Company, University Properties, Inc., West Coast Airlines, Inc., Whiz Fish Products Company, and Howard S. Wright Construction Company.

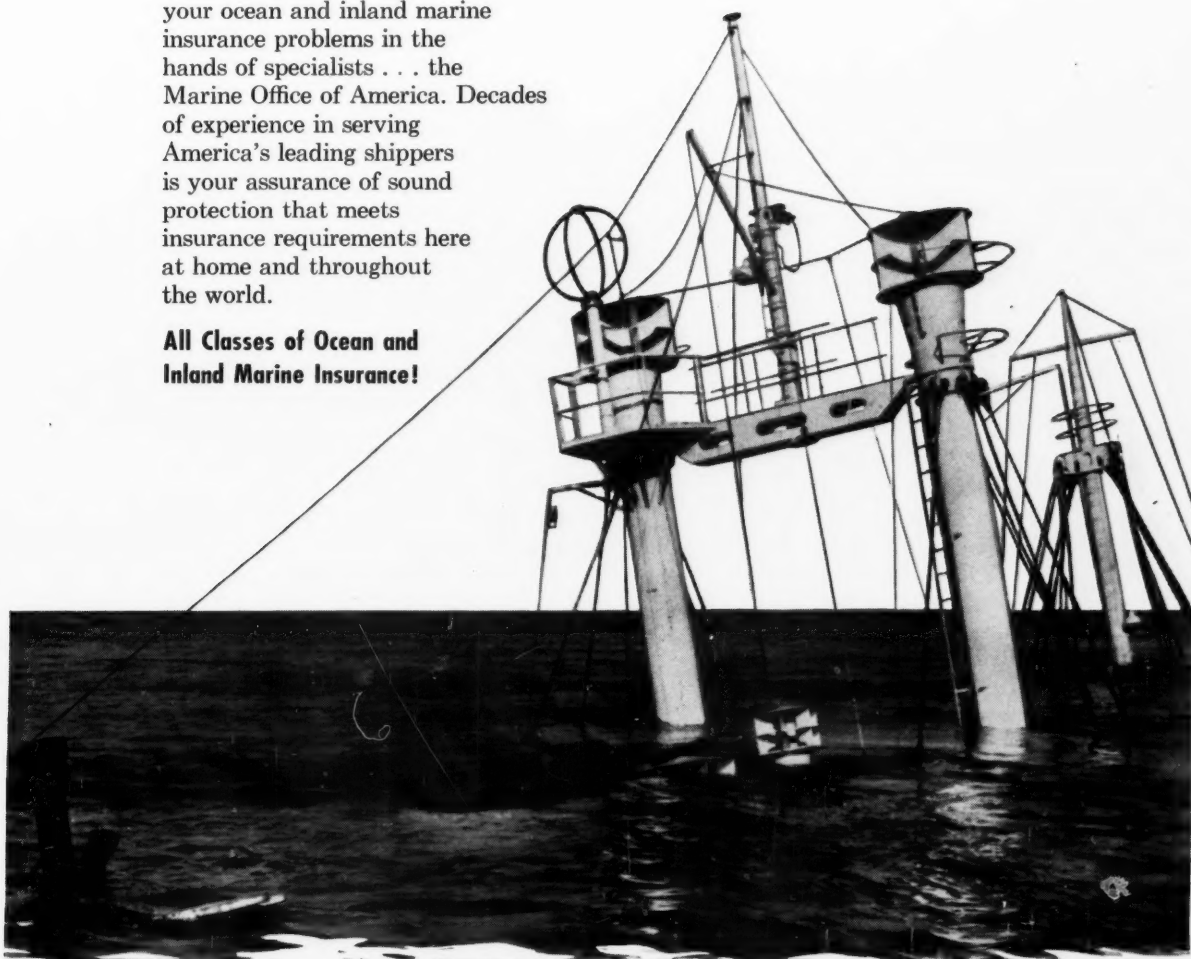
(The March 1959 issue of *The National Insurance Buyer* will publish a complete list of the new officers and directors.)

In Cargo Insurance too . . .

THERE'S MORE THAN MEETS THE EYE!

To properly safeguard your business, ask your agent or broker to place your ocean and inland marine insurance problems in the hands of specialists . . . the Marine Office of America. Decades of experience in serving America's leading shippers is your assurance of sound protection that meets insurance requirements here at home and throughout the world.

**All Classes of Ocean and
Inland Marine Insurance!**



MARINE OFFICE OF AMERICA

123 WILLIAM STREET, NEW YORK 38, N. Y.

MEMBER COMPANIES:

THE AMERICAN INSURANCE COMPANY • THE CONTINENTAL INSURANCE COMPANY • FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIREMEN'S INSURANCE COMPANY • GLENS FALLS INSURANCE COMPANY • THE HANOVER INSURANCE COMPANY
NIAGARA FIRE INSURANCE COMPANY

—OFFICES—

NEW YORK • CHICAGO • NEW ORLEANS • SAN FRANCISCO • HOUSTON • TORONTO
Atlanta • Baltimore • Boston • Cleveland • Corpus Christi • Dallas • Detroit • Indianapolis • Jacksonville • Los Angeles • Louisville
New Haven • Philadelphia • Pittsburgh • Portland • Raleigh • Richmond • St. Louis • Seattle • Stockton • Summit • Syracuse

Deductibles and All-Risk Physical Damage Insurance

by

Bradford Smith, Jr.

Executive Vice President

Insurance Company of North America

(Address before the American Society of Insurance Management, Inc., Seventh Annual Meeting, Chicago, Illinois — November 17, 1958)

In giving a paper such as this, it is appropriate at the outset to make some small display of apt quotation or humor. This led me to Bartlett's Quotations.

I first looked in the index to see if by chance some author had made a clever statement about an underwriter. If so, Bartlett doesn't seem to know about it. The nearest thing to underwriter was "Underwear", and the First World War couplet, "Mademoiselle from St. Nazaire, She never heard of underwear."

While this may be an interesting statistic, it is in no way related to our subject. I have, however, come across underwriters who have been reduced to nothing more than their underwear, having lost their shirts in All-risk underwriting.

Going from Underwriter to other components of my topic, I searched out the word "deductible" and found only fragmentary quotations from Conon Doyle, wherein Dr. Watson extolled Holmes' skill in making deductions. Again, this goes somewhat afield, although I am sure that there are many Underwriters, like myself, who would give a great deal to possess some of Holmes' extraordinary powers.

Approaching the end of my rope, I looked up "risk" and found a quotation from a certain Alexander Smith, "Everything is sweetened by risk." It is possible that Author Smith was right from his viewpoint, but Underwriter Smith feels that risks do not give sweetening: they need it, in the form of reasonable, adequate and fair rates.

* * *

With this concession to form out



About Mr. Smith . . .

Bradford Smith, Jr., joined the Insurance Company of North America in 1929 as a special agent. He was elected assistant secretary in 1936, fire secretary in 1940, and vice president in 1943. In December 1956, he was elected to the newly created post of executive vice president. Mr. Smith also serves as vice president of Life Insurance Company of North America and is a director of all of the Companies in the INA Group.

Mr. Smith serves on the board of directors of Fidelity-Philadelphia Trust Company and the Esterbrook Pen Company and is a member of the insurance committee of the Chamber of Commerce of the United States.

of the way, it is high time to get on with our comments on Deductibles and All-Risk Damage insurance. To begin, we should note that a substantial number of influential Underwriters are strongly opposed to these forms, and have even sought to keep other underwriters from offering them. They take the view that the demand for them does not warrant letting the bars down against what they believe to be inherently dangerous underwriting. However, the records will show that those opposed to change or innovation in insurance almost invariably advance this argument as though it were conclusive. You may have surmised that your speaker does not agree. Quite to the contrary, he believes that a policy of withholding a form of insurance until a demand for it overwhelms all objections, is a kind of ill-founded obstinacy which is harmful to our industry. Moreover, he believes that if insurance is to assume its rightful place in the coming upsurge of our national economy, it must be creative, it is not enough merely to satisfy known insurance wants or needs. Those that are hidden or latent in our economy must be unearthed and ways found to satisfy them. This is a basic principle in the dynamic development of American business.

Actually, there is a greater demand for deductibles and all-risk physical damage insurance than is recognized by Underwriters in the traditional American market. What is needed is positive and intelligent

(More on page 20)



A Winter vacation he'll never forget

This businessman knows that downtime is bad business when it must be paid for with lost revenue and expensive repairs. A boiler explosion can be very costly — yet even a simple accident involving a pressure vessel, turbine, compressor or electrical equipment can also be the direct cause of downtime and serious losses. Because, unless such power units are covered by specialized Engineering Insurance, there may be no compensation!

For more than 90 years, The Hartford Steam Boiler Inspection and Insurance Company has been providing for the Engineering Insurance needs of thousands of firms. How? By seeing that they receive the services of *specialists* at every step. H.S.B. Special Agents, skilled in this highly technical line of insurance, help agents and brokers meet the en-

gineering insurance needs of their policyholders; H.S.B. Field Inspectors, skilled in accident prevention and backed up by a large engineering staff, search constantly for signs of danger in power equipment insured by this Company. Their recommendations help prevent accidents and prolong the useful life of boilers and machinery.

Should an accident occur in spite of these many precautions, this nation-wide organization is ready to move into high gear to put specialists on the scene promptly to assist in rehabilitation and promote equitable claim settlement.

Ask your agent or broker to arrange for a complete check-up by Hartford Steam Boiler of *all* your power equipment insurance coverage. You will be served by the world's largest company *specializing* in Engineering Insurance.

THE HARTFORD STEAM BOILER
INSPECTION
AND INSURANCE COMPANY



to keep power alive

Remember, *INSPECTION* is our middle name

Hartford 2, Connecticut

A Theory of Risk Discovery

by

A. Hawthorne Criddle

Executive Vice President, Ostheimer-Walsh, Inc.

Philadelphia, Pa.

(Address before First Annual Insurance Conference — Delaware Valley Chapter of the American Society of Insurance Management, Inc. — October 8, 1958)

Corporate Management's responsibility to derive income and profits through the utilization of business assets implies an equal responsibility to protect and preserve them against fortuitous loss of significant amount. (Significance varies among corporations according to size and net worth and may be \$1,000 for a small one or \$10,000,000 for a very large one.) These business assets — and the income and profits derived therefrom, are subject to risks of loss through chance events, such as fire, explosion, the elements or other natural forces, accidents and criminal acts.

Practices in preservation and financial protection may vary widely among companies, but somewhere in the organization — usually the Treasurer's Department — there is one individual who has the principal duty to discover, evaluate and insure corporate risks. Whether or not he holds the title, he is in fact the Insurance Manager.

For the past three decades these Corporate Insurance Managers, both full and part-time, have done a remarkably effective job of knowing their risks. Many have labored under the handicap of having to superimpose the insurance function on top of another practically full-time duty. None have had the benefit of textbooks written especially to cover the Insurance Manager's job, nor, in fact, the benefit of any universally accepted principles or standard practices to guide them. They have worked under a variety of management philosophies and it is a personal triumph for each of them that they have now won general recognition of the importance of their function. Their successful past performance has been largely achieved through a combination of familiarity with the business affairs of their own corporations, their knowledge of insurance principles and practices, their common sense and a developed instinct for spotting risks. However, if ten insurance managers were asked how they accomplished their jobs, the diversity of their answers would surely establish that a science.

they practice their function as an art rather than as

There is substantial evidence that modern management recognizes that the real scope of the problem to be "Risk Management" rather than "Insurance Management" — the former embracing the treatment of all corporate risks of an insurable nature and the latter implying responsibility only for those risks which are actually insured. If Insurance Managers are to make the transition to Risk Managers, then it is obvious that one of their greatest needs is a scientific system of risk discovery, evaluation and analysis.

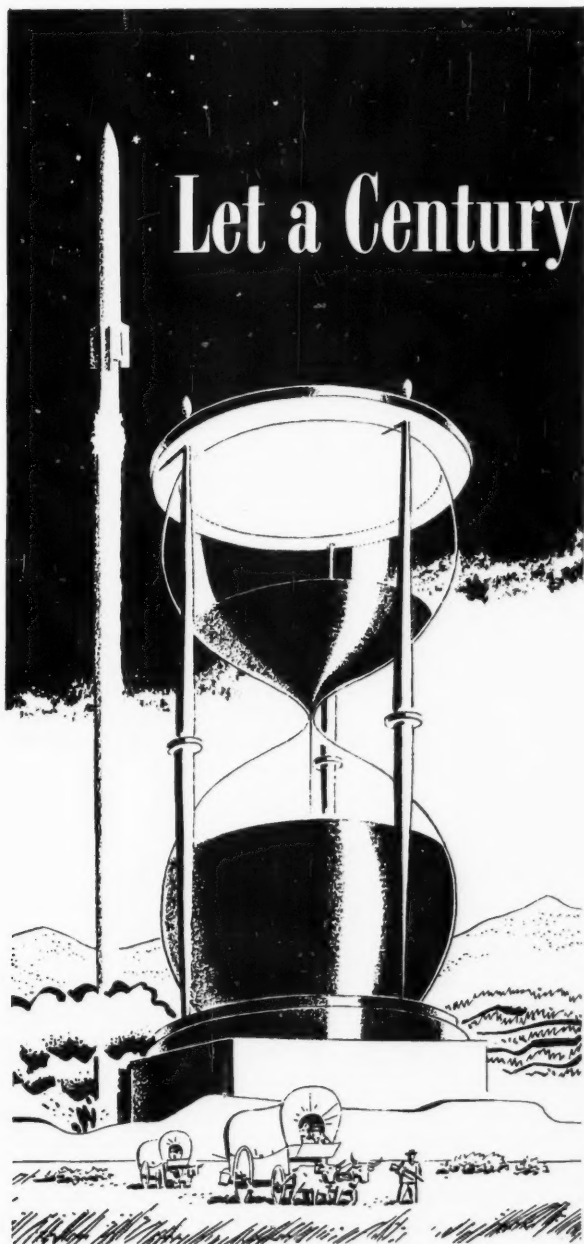
The nearest existing approach to such a system for developing loss exposures is the so-called "Insurance

(More on page 14)

About Mr. Criddle . . .

A. Hawthorne Criddle, Executive Vice President, Ostheimer-Walsh, Incorporated, attended the Wharton School of the University of Pennsylvania. He began his career in the Insurance Department of Seaboard Airline Railway and in 1929 joined Mather and Company, rising to Assistant Vice President of the General Brokerage Department. He resigned in 1949 to join Ostheimer and Company as Manager of their General Insurance Department, becoming Vice President and Director of Ostheimer-Walsh, Incorporated, in 1952, and Executive Vice President in 1957. He is also a Director of Ostheimer Realty Corporation.

Mr. Criddle is active in numerous professional organizations, has written a number of insurance articles for trade magazines, and is a member and past Director and Regional Vice President of the Society of Chartered Property and Casualty Underwriters. He is also a Director and member of the Speakers Panel of the Americans for Competitive Enterprise System.



Let a Century Serve You

At Fred S. James & Co. a century of insurance experience goes to work for the buyer of insurance, experience that stretches from the time of the covered wagon to the age of space. Here can be found the whole service—offices coast to coast—hazard control systems—a complete range of insurance from pensions to power reactors—and the market facilities of every principal insurer in America and abroad. Here are resources and skills only time can impart.

Buyers of insurance in all segments of business and industry, from seed grower to big steel, get those skills at no extra cost and frequently at less cost. Let a century serve you and your company. Call or write to any one of our ten offices for a survey of your insurance needs.



FRED. S. JAMES & CO.

Insurance Brokers and Consultants

CHICAGO • NEW YORK • PHILADELPHIA • BUFFALO • PITTSBURGH • MINNEAPOLIS • PORTLAND • SEATTLE • LOS ANGELES • SAN FRANCISCO • LONDON

Compensation For Injuries Without Regard to Fault

by
Edward P. Gallagher
Vice President and
General Counsel
American States Insurance Company
Indianapolis, Indiana

Recently, New York newspapers printed extensive reports of lawyers, doctors, insurance adjusters and claimants who were involved in a million dollar fraud dealing in exaggerated and faked claims in Brooklyn. This is one more item which points up the tremendous amount of money involved in the payment of damages to injured persons today. However, the stealing of a million dollars in the damage racket is small indeed, compared to the accumulative destructive effect which an insidious and selfish group of barristers, small in number among the lawyers of our country, but wealthy in income, power, and, unfortunately, prestige, has had on the whole framework of our American legal way of life.

No one is more convinced than I, that the great body of American lawyers believe in high professional standards, and honestly and sincerely present the damage claims of their clients, to the defendant representatives. Many lawyers represent injured claimants, from time to time, but a small per cent of them represent a large per cent of the claimants. It is because most lawyers are professional and wait for clients to seek their services, that they are retained only occasionally in damage claims. While they exercise ethical restraint, a great part of the big personal injury fees from important cases, which in the natural course of law business would be divided among all lawyers, is acquired by a relatively few soliciting lawyers having no ethical standards either in the acquisition of, or in the handling of their business.

The July 1958 issue of the American Bar Association Journal discloses that there are approximately 250,000 lawyers in the United States. Their average income is around \$10,000 a year. It is my considered belief that not over one or two per cent of this number show in that group of which I am critical today. However, I believe that the contingent fees received by each of this small group of lawyers will range from \$75,000 to \$1,000,000 a year, in comparison to the \$10,000 average income of the general practitioner.

A lawyer who has any of the acquisitive qualities of a human being can shed a great many crocodile tears, and protest long and loud when anyone attacks his golden goose, particularly if it is giving him a half million dollars a year. I imagine those who will be the most bitter about this paper will be the ones who are reaping the golden harvest to the fullest extent. I wonder if you realize how great this damage business is. In 1957, there were 38,500 persons killed and 1,400,000 persons injured in auto accidents alone in this country. This does not include the hundreds of thousands killed and injured in other kinds of accidents for which claims were filed. The money to pay the claims because of those injured or killed came principally from insurance companies, railroads, bus lines, public utilities, and other large industries who carry no insurance, but are large enough to be what is known in the industry as self-insured. The insurance companies alone paid \$1,658,320,000 for personal injury and

death claims, and another \$635,553,000 in property damage claims during the year 1957.

While there are no figures available, I imagine all of the railroads and the other self-insurers paid another 33-1/3 per cent of these sums. On this basis, payments for both personal injury and property damage claims amounted to over \$3,000,000,000 last year.

You can see how lawyers having a near monopoly on payments out of funds of money so tremendous as this, could have incomes of half a million dollars or so a year.

The trouble with this group is that it has whetted its appetite on all the golden eggs to such an extent that it is now carving up the goose. When you consider that the casualty insurance companies of America lost \$270,000,000 on auto bodily injury insurance alone in 1957, you can see that a good part of the goose is carved already. What is this contingent fee business as it exists today?

When lawyers first attempted to collect contingent fees in this country, the whole idea of a lawyer gambling for a per cent of his claimant's financial recovery was so repugnant to precedent that legal devices had to be inaugurated to avoid existing laws on champerty. No other countries in the world have permitted lawyers to collect under such a system except Spain, Lebanon, and a few Latin American countries.

The present climate under which the claimant lawyer can collect damages and contingent fees is a perfect one for him. There is read

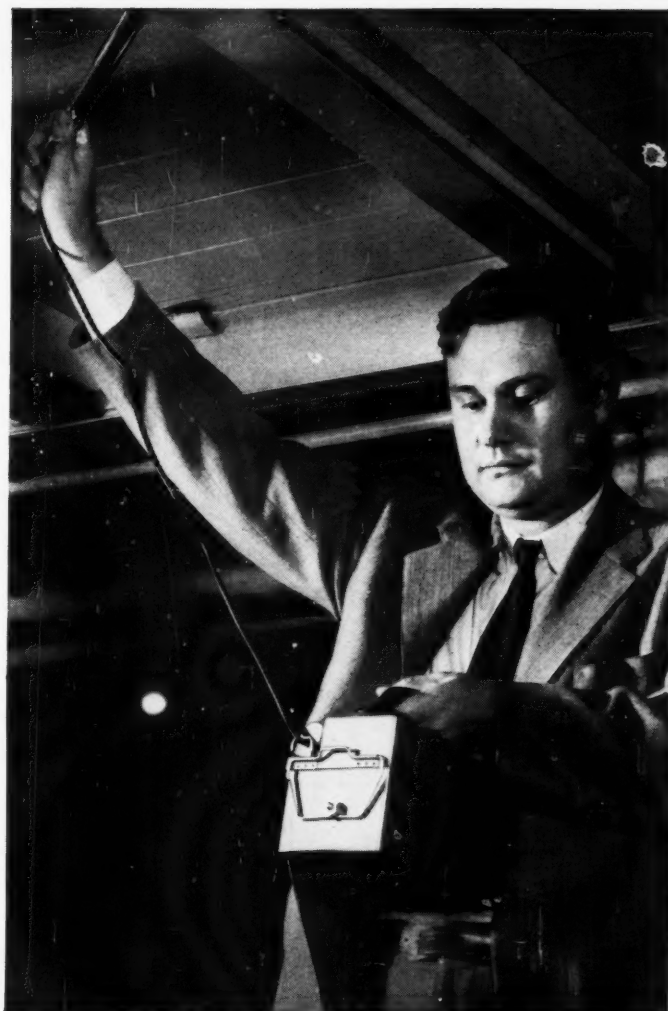
(More on page 33)

Insurance man with a geiger counter?

The *unusual* is commonplace to a Kemper man.

Here, a Kemper Industrial Hygienist is checking a client's plant where x-ray machines are used for inspection purposes on the floor above. With the aid of the geiger counter he can quickly determine if radiation leakage from the x-ray machines is dangerous or harmful to workers on the floor below.

This man, and the hundreds of Kemper safety specialists like him, work constantly to reduce losses for Kemper policyholders in factories, stores and on the highways. As a result, policyholders have increased control over losses, and thereby gain two important benefits: lower operating costs and worthwhile insurance savings.



Does your business qualify for Kemper Insurance savings?

To find out how you may save on your insurance, call your broker or a representative of a Kemper Company, or write to Kemper Insurance, Dept. 102, Chicago 40, Illinois, for the name of your nearest representative.



Trademark of a new kind of Insurance man

This symbol identifies your Kemper Approved Insurance Advisor . . . an experienced, independent, local businessman devoted to giving you the *right* protection . . . at low net cost.

**Lumbermens Mutual
Casualty Company**

Chicago 40

**American Motorists
Insurance Company**

Chicago 40

**American Manufacturers
Mutual Insurance Company**

New York 17

**Federal Mutual
Insurance Company**

Boston 16

ALL FORMS OF PROPERTY AND CASUALTY INSURANCE AND BONDS

Divisions of **KEMPER** Insurance

ASIM

Welcomes New Members

Chicago Chapter

Bell and Howell Company
Northern Trust Company

Detroit Chapter

King-Seeley Corporation

Maryland Chapter

Ellicott Machinery Corp.

Minnesota Chapter

The Economics Laboratories, Inc.

Montreal Chapter

Henry Birks & Sons Ltd.

New York Chapter

Keuffel & Esser Company
Ziff-Davis Publishing Co.

Southern California Chapter

Cypress Mines Corporation
Space Technology Laboratories, Inc.

M. H. Whittier Company

Connecticut

Scovill Manufacturing Co.

Ohio

Cleveland Electric Illuminating Company
Cleveland Pneumatic Industries, Inc.
The Halle Brother Co.
The North American Coal Corporation

Virginia

Newport News Shipbuilding & Drydock Co.

Washington, D. C.

National Lumber Manufacturers Association

Washington

General Construction Co.
Halferty Canneries, Inc.
New England Fish Company
Pacific Car and Foundry Company
Peoples National Bank of Washington
Puget Sound Bridge and Dredging Company
Puget Sound Power & Light Company
Seattle First National Bank
Simpson Timber Company
University Properties, Inc.
West Coast Airlines, Inc.
Whiz Fish Products Co.
Howard S. Wright Construction Co.

ASIM Chapter Proposed in Columbus, Ohio



Arthur I. Vorys
Superintendent of Insurance
State of Ohio

On December 9th, at a luncheon meeting held at the Fort Hayes Hotel, Columbus, Ohio, a record number of corporate insurance managers gathered to "kick-off" a local ASIM chapter, formal organization of which will take place on January 13th.

E. W. Alstaetter of North American Aviation, Inc., and Dr. John S. Bickley of the Ohio State University and an Honorary Member of ASIM, served as co-chairmen.

Arthur I. Vorys, Superintendent of Insurance, State of Ohio, was the principal speaker. Mr. Vorys said in part: "When insurance buyers speak, the insurance industry listens. In the past, you buyers have shown most of the imagination which has resulted in new insurance plans, added services and revised pricing schedules.

"Insurance companies are awakening to the challenge. Many have revised their public relations attitudes, have ended an historical attitude against change, are studying changes in regulations and are seeking a wage and job promotion framework that will be attractive to the intelligent person about to embark upon his life work."

Mr. Vorys urged his listeners to take an interest in insurance companies, their procedures, policies and the legislation which affects them. "Insurance is the handmaiden of commerce. As it flourishes, so does the economy," he asserted.

Attending the meeting were representatives of the following companies:

North American Aviation, Inc., The Julian & Kokenge Company, Anchor Hocking Glass Company, E. I. Evans and Company, The Columbus & Southern Ohio Electric Company, Capital City Products Company, Dresser-Ideco Company, Jeffrey Manufacturing Company, Clark Grave Vault Company, Lennox Industries, Jaeger Machine Company, M & R Dietetic Laboratories, Inc., The Peoples Development Company, Columbia Gas System Service Corporation, Weston Paper Company, Kilgore, Inc., and The Columbus Dispatch.

CHOOSE A SOUND LEADER

*For Your Insurance
Protection Abroad*



Look at it this way. To be properly safeguarded against loss your business overseas needs property, casualty and surety protection that's expertly planned . . . fits local customs and conditions . . . and conforms to foreign laws and insurance requirements. That's why so many outstanding companies rely upon AFIA and its world-wide organization.

We'll be glad to send you an interesting and informative booklet about foreign insurance and AFIA facilities. Just drop a line to our New York office.

Ask your insurance agent or broker to discuss your foreign insurance problems with AFIA.



AFIA

AMERICAN FOREIGN INSURANCE ASSOCIATION

161 William Street • New York 38, New York

CHICAGO OFFICE .. Insurance Exchange Building, 175 West Jackson Blvd., Chicago 4, Illinois
DALLAS OFFICE 400 Vaughn Building, 1712 Commerce Street, Dallas 1, Texas
LOS ANGELES OFFICE 3277 Wilshire Boulevard, Los Angeles 5, California
SAN FRANCISCO OFFICE .. Russ Building, 235 Montgomery Street, San Francisco 4, California
WASHINGTON OFFICE Woodward Building, 733 15th Street N. W., Washington 5, D. C.

An association of leading American capital stock fire, marine, casualty and surety insurance companies providing insurance protection in foreign lands

Risk Discovery — Criddle

(From Page 8)

Survey" used by insurance agents, brokers and companies. The survey has unquestionably made a partial contribution to a scientific technique of risk discovery but, for obvious reasons, it is not a system which completely fulfills the Risk Manager's requirements.

Insurance surveys, as their name implies, are primarily intended to develop information essential to the consideration of various forms of available insurance. So far as can be determined, no survey system in general use has been designed to develop *all* loss exposures or risks of an insurable nature, including the risks for which insurance is not readily available. This is not a criticism of the insurance survey as such, but a simple statement of fact that is quite a natural consequence since it is an insurance industry device.

The Risk Manager needs a "Corporate Risk Survey" — not an insurance survey. He needs a system of developing risks that is designed from the viewpoint of corporate business, using the kinds of data readily and customarily available and disclosing all exposures or risks of an insurable nature (as distinguished from "business" risks). The system should be uniformly applicable to all kinds of business and operations, and should be capable of accomplishment by predetermined, standardized methods so that risk discovery, evaluation and analysis can be performed by scientific procedures to provide the basic facts essential to the Risk Management function.

Insurance will not come up for consideration nor influence the performance of the job until the risks have been established. Then, for each risk that exists, the corporation will have three courses of possible action — it can eliminate the risk, assume the risk or transfer the risk (insure), and each course of action is appropriate to particular kinds of risk.

The purpose of this paper is to identify the categories of risks by results and causes; to outline the elements involved in the discovery, evaluation and analysis of risks; and then to state as a proposition one system of risk discovery that has long intrigued some Insurance Managers, Accountants, Bankers, Credit Men and Insurance Professionals, but which has never fully developed. The proposition will then be tested by application to a hypothetical case.

An initial premise is that insurable loss can arise only through damage to, destruction of or loss of possession of physical property, or as a consequence of such property loss, or as a result of injuries to or death of persons or damage to property or property rights of others. (**Appendix A**)

As a beginning point, the Risk and Insurance Manager must have a source of complete and reliable information upon which a preliminary opinion, or hypothesis, of possible risk can be predicated. He must have access to all factual data necessary to establish if the risk does, in fact, exist. If it does,

then he must have the future data by which to estimate the maximum possible loss. This factual data, used in a formalized system for risk discovery and analysis, should produce a reliable tabulation of the actual risks involving significant loss possibilities which cannot be practically eliminated. (**Appendix B**)

The proposition to be examined may be stated as follows:

"An initial identification of all possible insurable risks of loss may be directly observed or reasonably deduced from the Corporate Financial Statements; i.e., Balance Sheet, Profit and Loss Statement and subsidiary accounting records."

To test the validity, **Appendix C** gives a hypothetical corporate Balance Sheet and Operating Statement. The original assumptions of possible risk which may be drawn from each item have been illustrated by code reference from Appendix A — Category of risks — and are largely self-explanatory. Space does not permit the full development of the next step of testing the original assumption by factual determination. Instead a few items from the statements have been selected to establish the principles of the technique and the area of investigation.

Cash in banks:

A deposit in banks is simply a credit relationship and does not involve the risk of physical loss of actual currency and coin. However, there is a risk of loss of this credit through criminal, dishonest or fraudulent acts, particularly forgery. There is also the risk of bank insolvency. No consequential or liability exposures are evident.

The area of risk inquiry involves investigation of receipts, their form (cash or checks), accumulations before deposit, deposit procedures and internal controls, such as check signing authority and bank statement reconciliation.

Cash in offices:

Unlike cash in banks, this cash is in tangible form and all the risks of physical loss, damage or destruction rest upon the corporation while such funds are in any of its offices or being conveyed outside such offices. Cash is likewise subject to loss of possession by carelessness, error or mistake, including voluntary misdelivery to unintended persons. Risk investigation relates to where the money is kept, how it is transported and maximum amounts exposed.

Securities:

Securities may be kept in the office, a bank safe deposit box, or be pledged as collateral, or on deposit with a governmental authority. Where they are, how they are transported, whether they are negotiable or not, and the values would be necessary in order to estimate the risk of loss by physical damage or destruction or loss of possession from any cause. The exposure might be entirely eliminated if such securities were in the custody of a bank or an agency or custodian basis and the responsibility for safekeeping would be theirs.

(More on page 16)



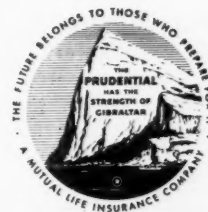
Funny thing about sand castles.....

They stand up pretty well against the small waves but vanish when one really big one comes along.

Some hospital and surgical plans are like that, too. They take care of the smaller bills without too much trouble... but let one serious illness or injury strike and they're not much help at all.

On the other hand, Prudential's BASIC MAJOR MEDICAL EXPENSE PLAN helps pay many of the small bills AND the big bills—the big ones no one can afford. That's the main reason why this plan keeps gaining in popularity among employers and employees alike. More than three-fourths of all the Group Major Medical Plans underwritten by Prudential during 1958 were BASIC PLANS.

For more information about this plan, call your Prudential Agent or Broker, or the Prudential Home Office or Group Office nearest you.



The Prudential
INSURANCE COMPANY OF AMERICA

Risk Discovery — Criddle

(From page 14)

Accounts receivable:

This asset value is exposed to the hazards of non-payment by the debtor (credit risk) and to inability to collect receivables in full because of the destruction of the accounts receivable records essential to collections. If such records consist of a vast number of accounts, concentrated at a single location and are not capable of reproduction except at prohibitive cost, then a substantial risk of loss exists.

In a similar category are other records, notes, deeds, drawings and valuable papers.

Inventory:

The exposure represented by this item relates to inventory owned by and in the possession or under the control of the corporation at the date of financial statement. It probably consists of raw materials and supplies and finished products. Inventory made be in the company's own manufacturing premises or in private or public warehouses or in the custody of processors or suppliers or in due course of transit. All such property is subject to physical damage, destruction or loss of possession. If this occurs, there is a possible consequential risk because of business interruption or other loss-causing conditions which were set in motion by the property destruction. There is also the risk of liability being incurred for injuries to persons or damage to property of others arising out of the ownership, existence or use of this property. Another characteristic is that such property customarily moves from place to place while still completely owned by the corporation; thus, there is a possible transit and location risk which may be significant with respect to high valued inventory items, especially when being transported by the corporation's own delivery equipment.

Risk investigation of this items begins at the point the corporation takes title, and embraces all possible loss exposures in transit, while in the company's own plant, or in storage, or in the hands of processors or others, or in inter-plant transit, until incorporated into final form and sold, delivered to and accepted by others. Values are necessary by locations and modes of transit. Because "inventory" is an item known to fluctuate, the investigation of values at risk should include maximum and minimum ranges.

Skipping down to the "Depreciation Reserve," we find the accumulated amount which has been deducted from original cost, usually to the maximum extent allowable under the Internal Revenue Code. Under accounting theory, this reserve should be available and adequate to span the gap between remaining value and present-day replacement cost. Under current conditions, it is rarely available as a liquid asset nor adequate to span the gap. Thus the existence of this Balance Sheet item discloses the amount of risk existing between current-day "actual cash values" and replacement costs.

In a similar fashion factual investigation proceeds

with respect to all other Balance Sheet items to verify or disprove the original assumption that a risk could exist.

The Operating Statement opens up new and different avenues of exploration. Sales may represent income from manufacturing, construction or other types of business. Each type incurs its own particular risks by its specific activity. If the corporation is a manufacturer, the terms of sale become important, as well as the express and implied warranties relating to their product. A part of the sales may be on an installment or conditional sales basis so that some risk continues until final payment. A single customer may account for 10%, 15% or 25% of all sales that would be lost if the customer's plant was destroyed, thus creating a consequential risk. If it is a construction company "sales" are the result of contracts. Contracts usually have a material effect upon the risks which exist and each requires analysis.

The notation of risk assumptions with respect to most other items of the operating statement identifies the area of possible risk to be explored but some indicate that a further breakdown is necessary to estimate the risks. For example, the item of "Manufacturing Expense" includes many sub-divisions. One of these is quite likely to be small tools, which in accordance with current accounting practice have been "expensed" and do not appear in the corporate capitalized property accounts as an asset. Nevertheless, they represent a real added value exposed to risk. An item of expense for a plant athletic team would disclose a possible liability exposure, as would an item for a plant hospital or dispensary.

These examples illustrates how each item investigated serves to disclose the risks which it creates and because the financial statements reflect the entire scope of corporate activity, the investigation of all the items and their subdivisions will disclose all the loss exposures or risks of an insurable nature.

Because the data obtained from the Balance Sheet is static as of the date of the statement and the data obtained from the Operating Statement contains information based on operations for a prior period, it is obvious that a risk program which undertakes to deal with dynamic business activities and provide adequate protection for current and future operating conditions must have current, complete and accurate information. This information can come only from an effective internal communications system. According to the size of the corporation, such internal communications may vary from a highly formalized procedural system to an informal system of dropping in on people who have the information or having lunch with them at frequent intervals.

So that the analysis may be kept up-to-date, the entire process could be repeated on an annual basis, very much as a property appraisal is periodically revised.

This is a very broad description of a system that appears to meet all the requirements of the Risk Manager in the field of discovery, analysis and evaluation of corporate risks. The primary data source

(More on page 18)

RETIREMENT PLANNING

A N N O U N C I N G

Two New Group Plans

Group Retirement and Group Auxiliary, combining retirement income and death benefits. These modern group plans provide the business owner's answer to retirement planning *today* that will meet *tomorrow's* changing times.

For the newest look in retirement planning – and a complete line of pension products, both group and individual, call our local office. Connecticut General Life Insurance Company, Hartford.

CONNECTICUT GENERAL



Risk Discovery — Criddle

(From page 16)

selected is one which is readily available and completely reflects all the risks which can arise with respect to corporate assets, income and operations. The method of developing the exposures is deemed to be scientific and to have universal application. It can be taught to students, expanded and improved in practice and become a standardized means of achieving one of the most important functions of Risk Management. It has the added advantage of being applicable to both the full-time and part-time Risk Manager because the work involved can be divided between the Risk Manager and Insurance Consultant or other representatives on a basis consistent with the time that the Risk Manager has to

devote. Presumably the full-time Manager would perform the entire operation and the part-time Manager would delegate it to his insurance representative after making arrangements to have necessary data available.

This type of corporate Risk Survey would be especially desirable as a basis for reports to directors, supervising executives, accountants, bankers, credit men and stockholders because it is directly related to the same kind of corporate financial exhibits with which they are accustomed to deal. It also provides all data essential to the insurance transaction, other than that customarily obtained by physical inspection.

This is necessarily a brief treatment of an extensive subject, but the conclusion is that the financial statement system is a scientific and reliable method for risk discovery, evaluation and analysis.

(APPENDIX A)

Category of Risks

Code Identification for subsequent reference

Description

I. "DIRECT PROPERTY RISK"

The risk of physical damage, destruction or loss of possession of property by:

- I. (a) Fire, explosion, action of the elements or other natural forces;
- I. (b) Accidents due to human or mechanical failure;
- I. (c) Criminal, dishonest, malicious or fraudulent acts of employees or others;
- I. (d) Carelessness, error or mistake;
- I. (e) Defective or impaired title to property;
- I. (f) Financial insolvency of others.

NOTE: (Property Risk ordinarily rests first with the property owner, but may be assumed by non-owners by contract or imposed upon others by law.)

II. "CONSEQUENTIAL RISK"

The amount at risk is not necessarily confined to the values involved in a "Direct Property Loss." Additional loss causing conditions may be set in motion by the event, such as:

- II. (a) Inability to use buildings, machinery, equipment and materials for productive purposes, identified as loss of the "Use and Occupancy" of the property, "Business Interruption" or "Loss of Rents";
- II. (b) Loss of otherwise undamaged property resulting from interruption of process, damaged heating, refrigeration or other equipment essential to preservation;
- II. (c) Reduction in value of undamaged property resulting from loss to an essential component part or related property forming part of a set, pair or integrated unit;
- II. (d) Inability to enforce, or extra expense required to enforce, a legal right because of destruction of essential papers and records, such as deeds, securities and accounts receivable;
- II. (e) Abandonment or destruction of undamaged portions of property or increased cost of repair or replacement under building codes or other laws or regulations;
- II. (f) Loss of unearned prepaid items, such as insurance premiums;
- II. (g) Inability to get raw or process materials because of "Direct Property Loss" to a supplier's premises;
- II. (h) Reduction in sales because of "Direct Property Loss" to customer's premises;
- II. (i) Prevention of business by a neighborhood property loss, area disaster, civil disturbance, etc.;
- II. (j) Death or disability of a key man.

NOTE: (Consequential risk is not limited to owner property, but may result from damage or destruction to property of another, such as a supplier, customer or public utility.)

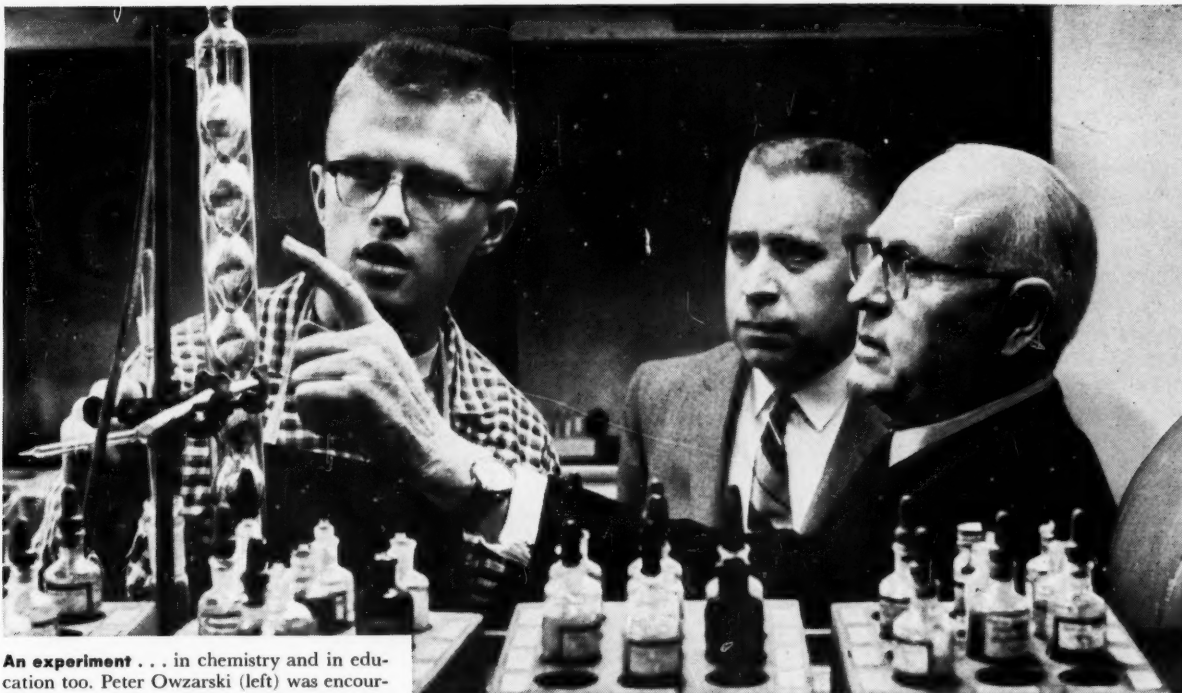
III. "LIABILITY RISK"

The risk of becoming legally obligated to pay monetary damages to others for personal injuries, including death; or for loss of, injury to or destruction of property or property rights;

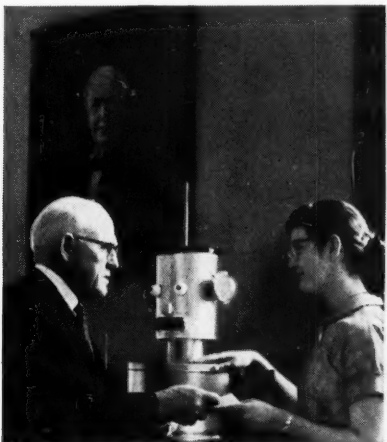
- III. (a) Imposed by statute or act, common law, admiralty law, municipal law or other ordinance, regulation or ruling;
- III. (b) Assumed under contract or agreement.

NOTE: (Statutory liability is ordinarily imposed upon the one designated by the statute or act, but others may be designated as secondarily liable. At common law, liability is ordinarily imposed upon the wrongdoer but ultimate liability may rest with another under a contract or agreement of indemnification.)

(More on Page 31)



An experiment . . . in chemistry and in education too. Peter Owzarski (left) was encouraged by his high school teachers to take college courses in chemistry after they found his interest in this field had prepared him for advanced work. Now he attends his high school in the morning, college in the afternoon. Peter is enrolled in chemistry courses on the Wausau campus of University of Wisconsin's Extension Division. Dr. Samuel Weiner (center) guides this brilliant young man in his advanced courses.



The Science Fair at Wausau Senior High School was an impressive part of my visit. On their own time, some 900 or more boys and girls had prepared 700 scientific exhibits. The projects covered everything from nutrition to seismographs . . . even a walking-talking mechanical man made out of stove pipes and tin cans. Beverly Geske tells me this is the school's fourth annual fair under the direction of Mr. Ben Berg.

Thomas Alva Edison's motto is used to measure a community's aims and achievements

Wausau Story

by **MAX MCGRAW**, President of McGraw-Edison Company
Vice President of The Thomas Alva Edison Foundation, Inc.

"You've heard Mr. Edison's motto: 'There's a way to do it better—find it.' Those words have always meant a lot to me, yet I know they are not easy to follow.

"I found that out when I was a boy. I got fourteen of my friends to join me in setting up a telegraph circuit between our homes. We had to string up eight miles of wire. Then we had to learn the Morse Code.

"It was worthwhile though. When you're in pursuit of a better way, the reward is in the challenge as well as the achievement. When I was in Wausau recently, I felt the community was aware of this. I visited schools. I talked to business men and found the same spirit. Many of you know this. You've done business with Employers Mutuals of Wausau. They're known as 'good people to do business with'. Their aims and achievements prove they deserve this reputation."

Employers Mutuals thanks Mr. McGraw for visiting us in Wausau. Employers Mutuals, with offices all across the country, writes all forms of fire, group and casualty insurance (including automobile). We are one of the largest in the field of workmen's compensation. Our business is growing and we need more people to help us—especially in our sales department. If you are interested in career opportunities with Employers Mutuals' nation-wide organization, write to C. E. Smith, Sales Manager, Employers Mutuals of Wausau in Wausau, Wisconsin.

Employers Mutuals of Wausau



"Good people to do business with"

Deductibles — Smith

(From page 6)

effort to solve the grave underwriting problems raised by these difficult and misunderstood forms.

As you all know, the name "all-risk" for this insurance is a misnomer because a literal interpretation of the term would imply coverage far beyond the limits possible for even the most venturesome underwriter. However, it does describe an insurance method which differs from the usual procedure of *specifically naming each peril* by substituting an initial insuring clause to *include all perils*. Under this method these perils which are uninsurable or are not wanted by the policyholder *are later excluded*. Underwriters will, of course, endeavor to exclude all inevitable loss such as wear, tear and gradual deterioration, and certain other common causes of loss or damage, such as inherent defect or inherent vice, extremes of temperatures, delay and loss of market, latent defects in machinery and mechanical breakdown, war risks and risks of radio-active contamination, etc. Even so, the All-Risk forms provide infinitely broader insurance coverage than the Named Peril forms.

Frequently used in combination with the All-Risk form is the Deductible or Excess of Loss method of insurance. Apart from the com-

mon deductibles found in certain forms of Personal and Automobile insurance, deductibles of higher amounts, ranging from say \$500 to \$2,000,000 or \$3,000,000, are used by policyholders and underwriters for such purposes as: to eliminate nuisance claims, or to require substantial participation in the risk by the policyholder, with a commensurate reduction in premium.

Generally speaking, the American market has been reluctant to offer these forms of insurance; in fact, it has resisted the applications of independent underwriters for their approval by regulatory authorities. Consequently, for many years they have been left largely to the foreign, non-admitted market which operates in a loosely regulated area. However, it is interesting to note that where the rate regulatory laws do not inhibit freedom to initiate and innovate, many American underwriters have enthusiastically gone about developing all risk forms, as in California, where they were first generally available to merchandisers. The "subsequent disapproval" provisions of the California Rate Regulatory Act, coupled with multiple line powers put its underwriters far in the lead in offering these forms to commercial interests.

* * *

Prior to 1950, All-Risk insurance was usually associated or identified with Marine Transportation or

floaters risks. Little was heard of All-Risk forms on stocks of merchandise, though for some years Inland Marine underwriters had provided such cover for Jewelers by their Jewelers Block policy. However, in 1950 a leading company introduced an All-Risk form called the Manufacturers Output policy. Shortly thereafter, a handful of aggressive companies made similar offerings, and the Inland Marine Insurance Bureau members, irked by this invasion of their field of All-Risk underwriting, expanded their Block policies to include equipment dealers, fur dealers, musical instrument dealers, camera dealers, etc. This list of eligible classes was rapidly enlarged by independent companies to include nearly all types of merchandising activity.

Out of these beginnings there has emerged a new kind of insurance, more aptly described as Commercial Multiple Line, rather than Inland Marine. It is designed to meet the requirements of virtually any merchandiser.

Coincident with these developments, a few companies have experimented with Deductibles. Two principal plans have emerged. One starts with a low deductible of \$500 and offers credit of varying amounts against standard base rates, depending on the amount of the deductible and its relationship

(More on page 28)

R. C. RATHBONE & SON

Incorporated

ESTABLISHED 1853

INSURANCE BROKERS

120 WALL STREET, NEW YORK 5, NEW YORK

REPRESENTED IN PRINCIPAL CITIES

TELEPHONE: HAnover 2-7150

CABLE ADDRESS: RATHSON

106th Year Of Placing Insurance For Many Leading Enterprises



shoulder-to-shoulder . . . coast-to-coast
**INSURANCE SERVICE
 TO MATCH YOUR GROWTH**

This concept of insurance service from independent agents and brokers all across North America is significant of the times. For it recognizes the trend of industry and the need of industry. Today, as a result, you are able to deal with the most comprehensive of all insurance networks—and yet know that every office is a home office.

That is why thousands of important names in commerce and industry now entrust their insurance programs to the membership of this association . . . and why the association concept is becoming the accepted concept in the writing and servicing of important multi-city business insurance.

For literature and complete details, contact the member-firm in your area:

ALASKA, Anchorage,
LaBow, Haynes Company, Inc.

ALABAMA, Birmingham,
Ford-Myatt & Ebaugh,
Mobile, Thames & Batre

ARIZONA, Phoenix,
Luhrs Insurance Agency

ARKANSAS, Little Rock,
Rector, Means and Rowland

CALIFORNIA, Los Angeles,
Miller, Kuhrt & Cox,
San Francisco,
Trans-Western Brokers, Inc.

CANADA, Calgary, Mackid Agencies
Ltd., Toronto, Tomenson, Saunders,
Smith & Garfat Ltd., Vancouver,
Durham & Bates Agencies Ltd.,
Winnipeg, Ryan Agency Limited

COLORADO, Denver,
Van Schaack & Company

CONNECTICUT, Hartford, Allen,
Russell & Allen, Benjamin & Connor

CUBA, Havana, G. F. Kohly, S. A.

FLORIDA, Jacksonville,
Donald A. Bolton & Co.,
Miami, Coates & Dorsey, Inc.

GEORGIA, Atlanta, Dunlap & Co.,
Savannah, Palmer & Cay, Inc.

ILLINOIS, Chicago,
Moore, Case, Lyman & Hubbard

INDIANA, Indianapolis,
Robert N. Bowen & Associates, Inc.

IOWA, Des Moines,
La Mair-Mulock Company

KANSAS, Wichita,
Dulaney, Johnston & Priest

KENTUCKY, Louisville, Nahm &
Turner Insurance Agency, Inc.

LOUISIANA, New Orleans,
Gillis, Hulse & Colcock, Inc.

MARYLAND, Baltimore,
Riggs-Warfield-Roloson, Inc.

MASSACHUSETTS, Boston,
Boit, Dalton & Church

MEXICO, Mexico City,
Kennedy & Hijo, A. P.

MICHIGAN, Detroit,
General Underwriters, Inc.

MINNESOTA, Minneapolis,
Wirt Wilson & Company

MISSISSIPPI, Jackson,
Fox-Everett, Inc.

MISSOURI, St. Louis,
W. H. Markham & Company

NEBRASKA, Lincoln,
Weaver-Minier Co., Ltd.
Omaha, Weaver-Minier-Martland

NEW YORK, Buffalo,
Laverack & Haines, Inc.,
New York City, Despard & Company

OHIO, Cincinnati,
The Earls Blain Co., Cleveland,
The W. F. Ryan Corporation

OKLAHOMA, Tulsa, Paul Sisk,
John Wakefield & Associates

OREGON, Portland,
Jewett, Barton, Leavy & Kern

PENNSYLVANIA, Philadelphia,
Ostheimer-Walsh, Inc., Pittsburgh,
Edwards, George & Co., Inc.

PUERTO RICO, San Juan,
Compania Carrión, Inc.

RHODE ISLAND, Providence,
Boit, Dalton & Church

SOUTH CAROLINA, Columbia,
Boyle-Vaughan Agency

TENNESSEE, Memphis,
D. A. Fisher, Inc.

TEXAS, Dallas, Ellis, Smith &
Company, Houston, Langham,
Langston & Burnett

VIRGINIA, Richmond,
The Davenport Insurance Corp.

WASHINGTON, Seattle,
LaBow, Haynes Company, Inc.

WEST VIRGINIA, Wheeling,
Lee C. Pauli, Inc.



INSURANCE SERVICE ASSOCIATION

Insurance Conference Is Sponsored By Cincinnati Area Insurance Managers, ASIM

On January 28, 1959, the Cincinnati Area Insurance Managers, a chapter of the American Society of Insurance Management, Inc., is sponsoring an all-day Insurance Conference at the Netherlands-Hilton Hotel, Cincinnati, Ohio.

Conference Committees

Mrs. L. M. Clore, General Chairman.

Program Committee: Charles H. Thiele, Federated Department Stores, Inc., chairman; W. T. McWhorter, Procter and Gamble Company; Arthur L. Benjamin, Cincinnati Gas and Electric Company.

Attendance and Reservations: Lloyd R. Everhard, Trailmobile, Inc., chairman; Henry A. Newman, Andrew Jergens Company; J. W. Hancock, Armco Steel Corporation; P. K. Dykes, The Ohio River Company; H. J. Fjord, Western and Southern Life Insurance Company.

Arrangements and Registration: Thomas Fisher, Fifth Third Union Trust Co., chairman; R. J. Schiffgen, Trailmobile Inc.; C. J. Haack, Eagle Picher Company; W. H. Hiller, Philip Carey Mfg. Company; H. G. Everill, Cincinnati Gas and Electric Company.



Officers of the Cincinnati Area Insurance Managers, ASIM, 1958-59. They are, seated, left to right, A. J. Haberer, The Procter and Gamble Company, Cincinnati, president; and H. J. Fjord, The Western and Southern Life Insurance Company, Cincinnati, vice-president. Standing, left to right, J. W. Hancock, Armco Steel Corporation, Middletown, Ohio, assistant treasurer; R. F. Hoeweler, Acme-Newport Steel Company, Newport, Kentucky, treasurer; and Paul K. Dykes, The Ohio River Company, Cincinnati, secretary.

Publicity: M. C. Aichholz, Bavarian Brewing Co., chairman; Milton N. McComas, Cincinnati & Suburban Bell Telephone Co.; Larry W. Nash, Cincinnati Enquirer, Inc.

Reception: Glenn A. Biggs, Fifth Third Union Trust Co., chairman; G. M. Meister, Robert Gould Company; Stewart McMakin, Drackett Company; Richard E. Wagner, Geo. Wiedemann Brewing Company; J. R. Werner, Toms River Cincinnati Chemical Corporation.

Officers

The officers of Cincinnati Area Insurance Managers, ASIM, are A. J. Haberer, The Procter and Gamble Company, Cincinnati, president; H. J. Fjord, the Western and Southern Life Insurance Company, Cincinnati, vice-president; R. F. Hoeweler, Acme-Newport Steel Company, Newport, Kentucky, treasurer; J. W. Hancock, Armco Steel Corporation, Middletown, Ohio, assistant treasurer; and Paul K. Dykes, The Ohio River Company, Cincinnati, secretary.

"Who's Who" . . . at the Insurance Conference

EDWARD P. FOLLEY, vice-president, Johnson and Higgins, New York, N. Y., will give the principal address of the morning conference session at 9:30. His topic will be "Consequential Loss Exposures."

The address will cover an area of exposure that, although extremely important, is often-times overlooked in insurance programs.

Charles H. Thiele, corporate insurance manager, Federated Department Stores, Inc., Cincinnati, and conference moderator for the early morning session, will introduce Mr. Folley.



EDWARD P. FOLLEY

Edward P. Folley, vice-president, Johnson & Higgins, New York, N. Y., and a recognized authority on fire insurance, began his career in the insurance area in 1922 with the Westchester Fire Insurance Company. He remained in fire insurance ranks until 1944 at which time he joined Johnson & Higgins as a producer.

Lecturing for the Insurance Society of the New York School of Insurance since 1947, he has gained widespread esteem and respect for his outstanding work in insurance education.

Prominent insurance executives and state insurance officials from New York, Michigan, Illinois, and Ohio will participate in a panel discussion on "Regulation of Insurance" scheduled at 10:30 during the morning session of the conference.

They include **Carl L. Kirk**, Vice President, American Guaranty & Liability Insurance Company; **Joseph A. Navarre**, former Commissioner of Insurance, State of Michigan; **Klehner Johnson**, Deputy Superintendent of Insurance, State of Ohio; **Casimir Z. Greenley**, Director of Insurance, International Minerals and Chemical Corporation, Chicago, Illinois.

With congressional investigations now in process concerning the subject of state regulation, the addresses and remarks of these extremely well-informed individuals is timely and should be of interest to all segments of the insurance industry.

A. L. Benjamin, director of insurance, Cincinnati Gas and Electric Company, and conference moderator for the late morning session, will introduce the panel members.



CARL M. KIRK

Carl L. Kirk is Vice President and Secretary of American Guaranty & Liability Insurance Company and Deputy United States Manager, Zurich Insurance Company.

Mr. Kirk, who now resides in Kenilworth, Illinois, was born at Clinton, Illinois, and was educated at public schools in Clinton and Chicago, as well as the University of Illinois.

He began his career with Zurich in 1921 as Assistant Statistician, was appointed Actuary in 1928, and Assistant U. S. Manager in 1937. He was promoted to Deputy U. S. Manager in January 1950.

Mr. Kirk is a member of the Casualty Actuarial Society, Drug and Chemical Club, and Pi Kappa Phi fraternity.



JOSEPH A. NAVARRE

Climaxing a well-rounded experience in education and law, **JOSEPH A. NAVARRE**, Jackson, Michigan, was appointed Commissioner of Insurance, State of Michigan, by Governor C. Mennen Williams in 1951.

Mr. Navarre received a Liberal Arts degree from the University of Notre Dame where he instructed classes in English while taking preliminary law courses. He graduated from the University of Michigan Law School in 1930. He began the practice of law in Muskegon opening his own office, later, in Monroe. While in Monroe, he served as Prosecutor, Circuit Court Commissioner, and as Special Counsel to the City of Monroe.

At present, he serves on the Governor's "Little Cabinet"; is a member of the State Employees Retirement Board and the Industrial Safety Commission; serves as a member of the Governor's Atomic Energy Study Committee and Workmen's Compensation Rate Study Committee; is also a member of the Compulsory Automobile Insurance Interim Study Committee; and serves on the Committee on Flood Insurance, Council of State Governments, a national organization. He also is a member of the American Bar Association serving as vice-chairman of that organization's Committee on Regulation of Insurance Companies.

He is immediate past president of the National Association of Insurance Commissioners.

(More on page 26)

Insurance Com
sponsored
Cincinnati Area Insurance
Chapter of
American Society Of Insurance
Wednesday, January
Netherland-Hilton
Cincinnati, Ohio

CONFERENCE THEME: 1. State vs. Federal Regulations
2. Functioning and Operation of Rating
Bureaus

Morning Session

8:45 a.m. Registration

9:15 a.m. Welcome

A. J. Haberer

Insurance Department,
The Procter and Gamble Company
and

President, Cincinnati Area Insurance Managers, ASIM

9:20 a.m. Conference Keynote

Mrs. L. M. Clore

Chairman, Insurance Conference

9:30 a.m. Consequential Loss Exposures

Edward P. Folley

Vice-President

Johnson & Higgins

Moderator—C. H. Thiele

Corporate Insurance Manager

Federated Department Stores, Inc.

10:00 a.m. Question and Answer Period

10:30 a.m. "Regulation of Insurance"

Panel Discussion

Carl L. Kirk

Vice President

American Guaranty & Liability Insurance Company

Joseph A. Navarre

Former Commissioner of Insurance

State of Michigan

Kiehner Johnson

Deputy Superintendent of Insurance

State of Ohio

Casimir Z. Greenley

Director of Insurance

International Minerals and Chemical Corporation

Moderator—A. L. Benjamin

Director of Insurance

The Cincinnati Gas and Electric Company

ce Conference

sponsored by

a Insurance Managers,

Chapter of

f Insurance Management, Inc.

y, January 28, 1959

erland-Hilton Hotel

ncinnati, Ohio

11:30 a.m. Question and Answer Period

Luncheon

12:15 p.m.

Speaker: William G. Werner, Director
Public and Legal Services
The Procter and Gamble Company

Subject: "Public Relations Thinking in Insurance"

Afternoon Session

2:00 p.m. Recent Developments in Employee Benefits
Philip E. Benjamin
Towers, Perrin, Forster and Crosby

Moderator—R. S. Hayden
Assistant Treasurer
Armco Steel Corporation

2:30 p.m. Question and Answer Period

3:00 p.m. "Functioning and Operation of Rating Bureaus"
Panel Discussion

William Leslie, Jr.
General Manager
National Bureau of Casualty Underwriters

Paul W. Jerome
Assistant Manager
Aetna Insurance Group

Kent H. Parker
Manager
Western Actuarial Bureau

C. Henry Austin
Manager, Insurance Department
Standard Oil Company (Indiana)

Moderator—W. T. McWhorter
Manager, Insurance Department
The Procter and Gamble Company

4:00 p.m. Question and Answer Period

"Who's Who" . . . at the Insurance Conference

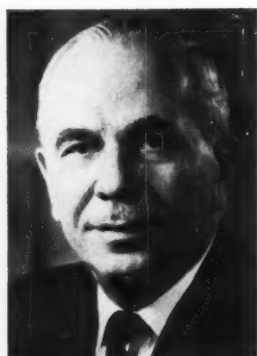


KIEHNER JOHNSON

On January 15, 1957, Kiehner Johnson was appointed deputy superintendent of insurance, State of Ohio, by Arthur I. Vorys, superintendent of insurance, State of Ohio, with the consent of Governor C. William O'Neill. He previously served four and one-half years as assistant attorney general for the State of Ohio.

During World War II, he served with the United States Navy. In 1952, he graduated from Michigan Law School.

Mr. Johnson is a member of the Columbus Bar Association and the Ohio State Bar Association and is a resident of Columbus, Ohio.



CASIMIR Z. GREENLEY

CASIMIR Z. GREENLEY, director of insurance and safety, International Minerals and Chemical Corporation, Chicago, Illinois, boasts a distinguished background of experience in the fields of insurance, safety, and accident prevention.

In 1955, he joined the U. S. Gypsum Company as safety director and employment manager in Plasterco, Virginia, and in 1927 was appointed to the post of safety director over all operations of the corporation. In 1930, he became board plant superintendent in both Plasterco and at the company's Gypsum, Ohio, plant.

In 1932, he became affiliated with Montgomery Ward and Company as assistant manager and later as manager of the insurance and loss prevention department.

He assumed his present position early in 1955.

Mr. Greenley is the author of many articles and pamphlets dealing with standard safe practice, industrial accident prevention, and corporate insurance. He holds membership in the American Society of Safety Engineers, National Fire Protection Association, and the Western Society of Engineers. He is a director of the American Society of Insurance Management, Inc., a past president of its Chicago chapter; and vice-president of the insurance division of the American Management Association.

William G. Werner, director, public and legal services, the Procter and Gamble Company, Cincinnati, will present the conference luncheon address at 12:15 p.m. Appropriately, he has chosen as his subject, "Public Relations Thinking in Insurance." This is a subject that should be of prime concern to all buyers of insurance, but one that is seldom covered in conferences of this kind. With Mr. Werner's background, his message should be of interest to all attending.



WILLIAM G. WERNER

In addition to his work as director of public and legal services, the Procter and Gamble Company, Cincinnati, **WILLIAM G. WERNER** follows a full program of activities in numerous business, civic, welfare, and cultural organizations in Cincinnati and throughout the nation. These include service on the boards of the National Better Business Bureau, the Advertising Council, and on the Advisory Committee of the National Cotton Council. He is also active on the Public Relations and Cleanliness Promotion Committees of the Association of American Soap and Glycerine Producers. He is a past president of the Public Relations Society of America and of the

United States Trademark Association.

A native of Cincinnati, Mr. Werner joined the Procter and Gamble Sales Department in 1911. From 1925 to 1940, he served as manager of the advertising division, organizing and accepting the managership in 1941 of the company's division of public relations. He was appointed to his present office in 1954 which involves not only the coordination of the activities of both the public relations and legal services departments, but also the review by the departments of the company's extensive advertising program.

Philip E. Benjamin, partner, Towers, Perrin, Forster, and Crosby, will open the afternoon session of the conference at 2 o'clock with an address on "Recent Developments in Employee Benefits." He will explore and develop, in particular, the area of group medical coverage.

R. S. Hayden, assistant treasurer, Armco Steel Corporation, Middletown, Ohio, and conference moderator for the early afternoon session, will introduce Mr. Benjamin.



PHILIP E. BENJAMIN

Drawing on 35 years' experience in group insurance which comprise six years with the Boston and Philadelphia offices of Sun Life Assurance Company of Canada, eight years in Boston with the John Hancock Mutual Life Insurance Company, and 21 years with Towers, Perrin, Forster, and Crosby of which he is now a partner, **PHILIP E. BENJAMIN** has achieved well-earned recognition in developing, installing, and servicing pension, profit-sharing, group life, and medical care plans for clients in the Ohio-Michigan area.

A native of New England, Mr. Benjamin holds a law degree from Northeastern University in Boston. He was admitted to the Massachusetts Bar in 1929.

(More on page 27)

Leading executives representing a cross section of important Chicago and New York insurance circles have been selected as members of the afternoon panel discussion group, a feature of the conference to begin at 3 o'clock. They include **William Leslie, Jr.**, general manager, National Bureau of Casualty Underwriters; **Paul W. Jerome**, assistant manager, Marine department, Aetna Insurance Company; **K. H. Parker**, manager, Western Actuarial Bureau; and **C. Henry Austin**, manager, insurance department, Standard Oil Company of Indiana.

The discussion topic, "Functioning and Operation of Rating Bureaus," should be of interest not only to buyers of insurance, but to agents and producers as well. It is felt that the speakers are eminently qualified to bring to those attending the conference important and useful information on a subject of vital concern to the industry.

W. T. McWhorter, manager, insurance department, the Procter and Gamble Company, Cincinnati, and conference moderator for the late afternoon session, will present the panel members.



WILLIAM LESLIE, JR.

Following his graduation from Princeton University in 1940 with an A.B. degree in economics, **WILLIAM LESLIE, JR.**, general manager, National Bureau of Casualty Underwriters, entered the insurance field in the rating division of the Fidelity and Casualty Company of New York, member company of the America Fore Insurance Group. In 1941, he joined the National Bureau of Casualty Underwriters in the actuarial department. In 1947, he became associated with the Royal-Globe Insurance Group and in 1948 was appointed superintendent of the special risks department. In 1950, he joined the National Council on Compensation Insurance as assistant manager and succeeded to the general manager-ship in 1955. He resigned this position in March, 1957, to rejoin the America Fore Insurance Group as actuary of all companies. He was appointed secretary and actuary of all companies of the America Fore Group in January, 1958. On May 14, 1958, he was elected to his present position.

Mr. Leslie served as a naval aviator during World War II and at present is a member of the Aviation Commandery of the Naval Order of the United States. In 1950, he received his fellowship in the Casualty Actuary Society.

The National Insurance Buyer — January 1959



PAUL W. JEROME

PAUL W. JEROME, assistant manager, Marine Department, Aetna Insurance Company, Park Ridge, Illinois, began his insurance career with a prominent general agency in California following a period of schooling in Pasadena.

Twenty-two years ago, he became associated with the Aetna Insurance Company serving first in the automobile department. Later, he was transferred to Texas with an appointment in special agency field work. After the Texas assignment, he spent some time in North Carolina and Virginia. He was subsequently sent to Cincinnati in 1946 where he opened the present office specializing in Marine production.

In 1951, he was brought into the Western Department headquarters of the Aetna Insurance Company in Park Ridge.



KENT H. PARKER

With a B.S. degree in Fire Protection Engineering from the Illinois Institute of Technology in 1928, **KENT H. PARKER**, manager, Western Actuarial Bureau, Chicago, Illinois, embarked on a career in this highly specialized field as an engineer with the General Inspection Bureau, Minneapolis, that same year. In 1929, he served as an engineer with the Kentucky Inspection Bureau, Louisville. In 1931, he joined the Western Actuarial Bureau becoming assistant manager in 1941 with an appointment to his present position in 1953.

He is a member of the National Fire Protection Association; the Advisory Engineering Council of the National Board of Fire Underwriters; the Fire Council — Underwriters Laboratories, Inc.; the Society of Fire Protection Engineers; and on the Advisory Committee, Inter-Regional Insurance Conference.



C. HENRY AUSTIN

C. HENRY AUSTIN, manager, insurance department, Standard Oil Company (Indiana), was appointed to that position in 1950 following the organization of the department and a period of service with the company as an attorney in its Law Department during which time he represented the company in many fields in the general practice of law. Before becoming associated with the Standard Oil Company, he was engaged in general trial and corporation work with a Chicago law firm.

Mr. Austin is National Director of Education, American Society of Insurance Management, Inc.; a member of the Planning Council and seminar leader, insurance division, American Management Association; a member of the Casualty Insurance Law Committee, Section on Insurance Law, American Bar Association; a member of the Illinois and Chicago Bar Associations and of the Midwest Pension Conference.

Cleveland Area Insurance Managers to Affiliate With ASIM

Several preliminary meetings have been held in the Cleveland, Ohio, area, indicating high interest in the formation of a chapter of the American Society of Insurance Management, Inc.

A meeting is scheduled early in January for the purpose of adopting By-laws and electing officers of a local chapter of ASIM.

Miss Julia Sullivan, Insurance Manager for The General Tire and Rubber Company, and Mr. Paul Macdonald of the Carling Brewing Company have been primarily responsible for stimulating the interest in the formation of an ASIM chapter in this area. (A complete list of members, officers, etc. will be published in the March 1959 issue of *The National Insurance Buyer*.)

For what it's worth...

Measurement of Casualty Losses

from the CLIENTS' SERVICE BULLETIN
of The American Appraisal Company

In the event of fire, hurricane, flood or other casualty not compensated for by insurance or otherwise, the income tax laws and regulations permit the taxpayer to deduct a loss in computing taxable income. The measure of damage is the difference between the fair market value of the property immediately before and immediately after the casualty, but the allowable deduction is further restricted by the adjusted basis of the property (usually cost less depreciation allowed or allowable).

In the case of partial losses to depreciable business properties, the commissioner has followed the practice of allowing a pro rata deduction of the adjusted basis. For example:

Fair market value of property before loss occurred	\$100,000
Fair market value after the loss	70,000
Damage suffered	\$ 30,000 = 30 %
Adjusted basis of property	\$ 40,000
Loss allowed (30 % of \$40,000)	\$ 12,000

The U.S. Court of Appeals, Fifth Circuit, in a recent decision rejected this formula and held that the loss in value may be deducted in full so long as it does not exceed the adjusted basis. If the decision is sustained, it may in many instances result in substantially larger deductions for casualty losses than heretofore.

The determination of fair market value before and after the loss is basically an appraisal problem.

American Appraisal Service furnishes up-to-date, authoritative information about the existence, cost or current value of assets...and the adequacy of depreciation provisions. Values are established only after careful consideration of all factual data. An American Appraisal report represents more than half a century of experience in the field of valuation for purposes of insurance, accounting, taxes, property control and corporate financing.

The AMERICAN APPRAISAL Company®

SINCE 1896...LARGEST...MOST WIDELY USED

Home Office: Milwaukee, Wisconsin

Atlanta	Cincinnati	Kansas City	Philadelphia
Baltimore	Cleveland	Los Angeles	Pittsburgh
Boston	Dallas	New Orleans	St. Louis
Buffalo	Detroit	New York	San Francisco
Chicago			Washington

Affiliated: Canadian Appraisal Company, Ltd.
Montreal and Toronto

Deductibles — Smith

(From page 20)

to the whole amount of insurance. All standard policy conditions, including coinsurance, are required. The other plan starts with a minimum uninsured first loss of \$100,000 and is perhaps more accurately called Excess of Loss insurance. As suggested by the high uninsured retention, its appeal is limited to concerns with large financial resources willing and able to absorb a substantial first loss. This approach offers somewhat more flexibility with which to accommodate the complex problems of premium determination and policy conditions for a very large risk.

For the most part, these developments came about outside of the jurisdiction of the strongly entrenched rating bureaus and many companies stoutly resisted them as unsound and harmful to the business of insurance. However, their objections did not ring true to those who believe that the American market should do its utmost to find a way to satisfy the reasonable requirements of customers. On the contrary, it seemed more likely that the opposition really had its roots in a fear of the competition which might follow a loss of control by their rating bureaus over new policy forms and rating principles. This attitude is perhaps best expressed by one prominent exponent of the bureaus who said in a report to a national industry trade association in 1950:

"I would be remiss if I did not impress upon you that to my mind this is the day and time to strike back unrelentingly at every manifestation of whatever nature that would disturb the orderly process of insurance. So long as we realize our trusteeship in this business, we will always be alert to maintain its integrity and to keep all subversive wolves away from our pastures."

* * *

Industry opposition to the Manufacturers Output policy culminated in a request to the New York Insurance Department to withdraw its approval of the form. This was denied. Superintendent Dineen, in

commenting on the matter, said in part, "We must make equally sure that departmental and legislative roadblock are not replaced by roadblocks erected by companies which are unable or are unwilling to write All-Risk coverage themselves and do not wish to see their competitors write it."

Once the New York Department took his firm stand, the die was cast. However, the evolution of the All-Risk policies has been delayed by disputes over bureau jurisdiction, as well as the continued resistance by prominent company interests, and a cautious attitude toward their approval by insurance regulatory officials. It is only now, after some seven or eight years of discussion, investigation, hearings and court battles, that independent companies appear to have won the right to develop these forms of insurance on their own and to work out ways of writing them at a profit. You will note the use of the phrase "appear to have won the right." This was done advisedly since it is not certain that the proponents of the status quo have exhausted their full bag of legal tricks.

While this struggle over All-Risk forms was going on, no less of a storm was being raised by the introduction of a Deductible plan and an Excess of Loss plan in the physical damage field by two independent companies. In an effort to block regulatory approval of these plans in the several states, a leading trade association sent every Insurance Commissioner in the United States a five-page commentary on the use of deductibles in Fire insurance covers. This commentary argued that there was only a limited demand for large deductibles and that their use should be confined to "the minimizing of petty claims under insurances included within the allied lines." Otherwise, it was claimed, "tested practices would be weakened if not destroyed." It was charged that the use of deductibles would tend to increase the expense ratio (and, by implication, also the loss ratio) in full cover rates. In June 1950 the Secretary-Manager of another large trade association,

(More on page 29)

Deductibles — Smith

(From page 28)

seeking the support of agents, was quoted in the Journal of Commerce of New York as follows:

"While the Deductible plan might start with large deductibles, it is bound to come down the line and hit your small risks. When that time comes and all risks are written under some form of deductible, the credibility of your statistics will be destroyed. There will be no basis for rates but there will be chaos."

The opposition continued along these lines; but the dire predictions did not come to pass. Nevertheless, some five years later a prominent officer of one of the large insurance companies testified at an Insurance Department Conference in Kentucky that large deductibles would bring about unbridled price competition; that such schemes appear to take on the character of rate-cutting devices; that they are designed to obtain a temporary competitive advantage for their proponents; that the ultimate effect of the use of large deductibles would be the destruction of orderly rating procedures and disturbances of rate levels; and that this could easily lead to chaos.

* * *

These charges are just so much rubbish; for, even with their suggestive influence, we have neither calamity nor chaos. However, it

must be admitted that, while there has been very great interest in Excess of Loss coverage, relatively few contracts have been written in the American market. This is chiefly due to the inability of a handful of American underwriters to win this market away from knowledgeable, non-admitted insurers operating outside the area of state regulation of rates and forms. An objective view must also take into consideration the unprofitable era in American property insurance, which has made American companies hesitant to experiment in untried fields, and the fact that there is only a limited number of concerns prepared to carry a first loss large enough to qualify for Catastrophe coverage.

Turning once more to All-Risk Physical Damage insurance, we should neither overlook mention of the unfavorable underwriting experience it has produced so far, nor the satisfaction its opponents may gain from this circumstance. It appears now, however, that it is showing improvement. This is probably due to more enlightened underwriting, and may be properly regarded as the result of lessons learned the hard way, since the earlier policies proved to underwriters that they were too liberal in coverage and inadequately rated.

* * *

Our current difficulties with the All-Risk form might lead one to think of it as a new approach to insurance, but that is far from the

case. Going back to the very origins of insurance, we will note that its concept was protection against "all risks." The trading loans of the Babylonians and the Phoenicians, which were the forerunners of the Bottomry loans, had the effect of covering loss to goods in transit by the perils of the transit, including robbery and brigandage and piracy. They were true "all risks" covers.

It was in the early Middle Ages that a third party (an insurer) intervened for a price and assumed these risks between buyer and seller. "All Risk" insurance has since been generally available to merchants and owners of property in transit whether by land or sea or air. As you well know, the Ocean Marine policy is a classic example. On the other hand, insurance at fixed locations on structures and other property (even though movable) has stemmed from pure fire insurance; and while the coverage has been greatly expanded, the method has been to specifically name the additional perils to be assumed by the underwriters. Insofar as I have been able to discover, one of the first applications of "all risks" insurance to fixed property was in the insuring of bridges and tunnels; but it must be recognized that these structures are distinguished from others, since they are carefully designed to fit into their particular environment. It is a vastly different insurance problem to supply All-Risk insurance for the run-

(More on page 30)



*The
Oldest and Largest
of the
Factory Mutual
Companies*

**MANUFACTURERS MUTUAL
FIRE INSURANCE COMPANY**

PROVIDENCE, RHODE ISLAND

LEADERS IN BROAD COVERAGE AT LOW COST SINCE 1835

Deductibles — Smith

(From Page 29)

of-the-mill buildings, not so specifically designed, and likewise for their contents.

Failure to perceive and to provide for the enlarged loss potential of All-Risk underwriting will inevitably bring disaster to the uninformed underwriter. Unlike Named Peril contracts, wherein the underwriter is alerted to the perils covered by having them named for him, the All Risk form may include hidden or unforeseen risks. A few illustrations from our files will give you an idea of the odd things which can and do happen:

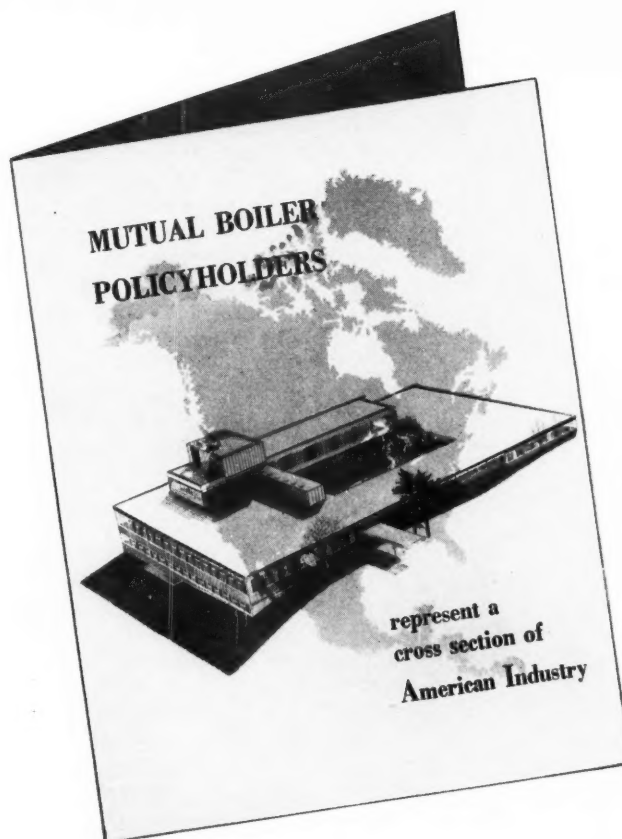
First, there is the case of the confused wheat beetles. A manufacturer of cans used as containers for syrup, stored up empty cans in a warehouse in which wheat had been stored previously. Confused wheat beetles entered the cans. Incidentally, that is the correct name for them and is not a reference to their state of mind. The warehouse was fumigated, killing them in the cans. The dead beetles could not be removed except by shaking each can by the hand and the cost to do this was greater than the cost of manufacturing new cans. Several hundred thousand (cans, that is) were thus rendered a total loss.

* * *

Turning from insects to animals, we have the case of some muskrats who caused the collapse of a dam. The dam, which retained water for a municipal water system, was constructed with drains running through the sub-soil to carry off water which might percolate underneath the dam. Muskrats built nests in these drains, thus clogging them. As a consequence percolating water under the dam created cavities, causing the dam to collapse.

A less dramatic claim is the case of the lost water. A manufacturer purchased large quantities of city water through a metered main. For a substantial period of time there was a large leak in the main on the manufacturer's side of the meter, resulting in the loss of enormous quantities of water. An All-Risk

(More on Page 32)



Join the Leaders —

We are proud of the fact that so many well-known and successful companies in the United States and Canada have selected Mutual Boiler to protect the equipment in their buildings and power plants from the expense and dangers of breakdowns and explosions; and we're even more proud that these same companies *continue* to renew their boiler and machinery insurance with us year after year.

We suggest that you send for a partial list of our policyholders. They represent a cross section of American industry — those who *want* the best and *get* it. Write:

Mutual Boiler and Machinery Insurance Company

225 Wyman Street · Waltham 54, Massachusetts

The Oldest Mutual Casualty Insurance Company in America

Risk Discovery — Criddle

(From page 18)

Elements in the Discovery and Analysis of Insurable Risk

(APPENDIX B)

RISK POSSIBILITY
(Hypothesis)

(FACTUAL TESTING)
(Proof)

Proven False* Proven True

MAXIMUM POSSIBLE LOSS
(Dollars)

Insignificant* Significant

NATURE OF RISK

Perils Hazards

RISK ELIMINATION

Accomplished* Not Accomplished

RISK REDUCTION

Accomplished Not Accomplished

*No further action required.

RESIDUAL RISK

Perils or Hazards
verging on
impossibility

Possible Perils
and Hazards

CLASSIFICATION

Non-catastrophic Catastrophic

CHOICE OF ACTION INDICATED ACTION

Assume Risk

Transfer Risk
(Insure)

Transfer Risk
(Insure)

(More on page 35)

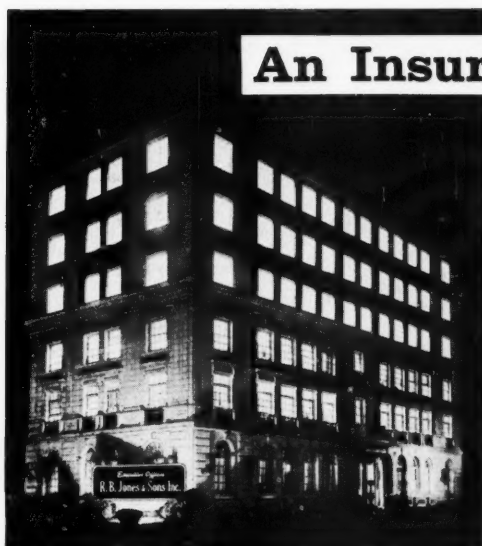
D. H. Mackaman Elected President of Dallas-Ft. Worth Area Chapter, ASIM

D. H. Mackaman, Insurance Manager of Campbell, Taggart Associated Bakeries, Inc., was elected president of Dallas-Ft. Worth Area Chapter, ASIM at a meeting held on November 20, 1958.

Serving with Mr. Mackaman are: Raymond C. Harrison, American Petrofino, Incorporated, vice president; Murray Saunders, Gifford-Hill & Co., Inc., treasurer; and Miss Annetta M. Johnson, The Murray Company of Texas, Inc., who continues as secretary.

Directors elected at the meeting on November 20, 1958, are: T. T. Redington, Jr., Dresser Industries; Jack Hertz, Southern Union Gas Company; V. T. Butcher, Sun Oil Company; Guy Branham, Coca Cola Bottling Company; Charles Swanner, Magnolia Petroleum Company; C. E. Watson, Dallas Power & Light Company; and Quincy Lutterloh, Olmsted-Kirk Company.

T. T. Redington, Jr., is the immediate past president of the Dallas-Ft. Worth Area Chapter and a Director of the American Society of Insurance Management, Inc.



An Insurance Agency is known by the companies it insures

... and it has been our privilege for nearly three-quarters of a century to handle the insurance affairs of discriminating companies on a world-wide basis.

R.B. JONES & SONS INC.

Insurance and Surety Bonds

301 West 11th Street — Kansas City, Mo. — phone VICTOR 2-1230

Chicago • New York City (Placing Office)

Deductibles — Smith

(From Page 30)

policy paid a huge water bill charged by the city.

There is literally no end to such illustrations; but the foregoing should serve to show what strange things may happen when you grant All-Risk insurance. Such accidents come along with a great deal more frequency than is commonly realized; and when they are included in the policy coverage, they add very greatly to the pure loss developed by a book of business. Thus, it is necessary to provide for them in the rate charged. As a practical matter, some influential policyholders underestimate the value of this form of insurance and buy so closely that their business tends to go to inexperienced underwriters who charge inadequate rates for the added perils. The end result is frequently the loss of a market for the policyholder.

There is also the danger of automatically including in All-Risk insurance perils with loss potentials so great as to be actually uninsurable. For this reason it is necessary to analyze All-Risk proposals with great care. Special inspections and surveys, are needed to unearth hazards or perils which are uninsurable because of location, the nature of the operations being carried on, unusual construction features, or other conditions which may be unique to the individual risks. The flood exposure to manufacturing risks located on the Mississippi River Bottoms is a classic example of a peril which is historically uninsurable because of location.

* * *

As the All-Risk concept is expanded to different kinds of property and classes of risk, it will place an increasingly higher strain on the abilities of underwriters. The process of accepting or rejecting such risks will be obviously more difficult and require much greater experience and judgment than that employed in routine underwriting. Equally important will be the problem of making this form of insurance attractive to underwriters by naming and securing a rate com-

mensurate with its true loss potential. Until more experience is developed, the task of establishing rates which are neither too high nor too low is one which will test the acumen of the best of today's underwriters.

Now what does all this mean, and how does it affect you? If we were to heed the advice of the advocates of business traditionalism, we would resurrect old-fashioned principles and do away with these experiments in underwriting. As a prominent insurance man put it in an unusually forthright and forceful address—"We must return to fundamentals—learn to creep before we walk—walk before we run—and leave the flying to the birds." He went on to say that he considered "All-Risk packages, as we know them, to be the cancer of our business which has dislocated, disrupted and thoroughly confused our entire business." His solution was to withdraw the All-Risk forms except for certain specialized coverages.

There can be no doubt that there is a substantial number of hard-pressed underwriters who would solemnly and sincerely say "Amen" to this proposal.

But that is not the answer. In the first place, we have fortunately advanced too far in this field to retrace our steps. It would be like trying to put Humpty Dumpty back together again. In the second place, we cannot afford to throw away the valuable experience we have already gained in venturing in this field; and you, as buyers of insurance, may justly demand the kind of insurance facilities which modern business wants.

Moreover, underwriters must learn to accommodate their business practices to rapid change, if they expect to keep pace with the dynamic business economy of our modern age. According to Nation's Business — "In the past five years we have spent as much money on industrial research as was spent in the previous twenty-five. To date little of this tremendous investment has borne fruit because of the time lag inherent in research project-fettered in their attempts to do a

(More on page 36)

50% INCREASE IN FIRE COVERAGE NINE MONTHS BEFORE FIRE SAVES MANUFACTURER FROM DISASTER!

Recently a large Eastern automotive accessory manufacturer had a partial loss of several hundred thousand dollars. Nine months before the fire, MARSHALL AND STEVENS submitted a detailed equipment appraisal. As a result of this survey, fire insurance coverage was doubled.

Following the fire, the appraisal became the basis for settlement, and the manufacturer received a check covering the full loss within two weeks.

Without the appraisal the insured would have been a 50% CO-Insured, and would have gone out of business.

The foregoing is but one of the many applications of appraisals. Costly time in negotiating is saved by anticipating the need for, and ordering a qualified appraisal before problems arise.

The informative booklet "Purposes of Appraisals" is yours for the asking. Call or write MARSHALL AND STEVENS, Dept. CHD, 420 Lexington Ave., New York 14, N. Y., LEExington 2-2130.

MARSHALL AND STEVENS is an international appraisal company offering local personalized appraisal service. Offices in Chicago, Cincinnati, Dallas, Denver, Detroit, Honolulu, T. H., Houston, Los Angeles, Minneapolis, New York, Philadelphia, Phoenix, Richmond, St. Louis, San Francisco, Vancouver, B. C.

Compensation — Gallagher

(From page 10)

into the law of almost every state a comparative negligence principle by force of legal opinion or by statute. Juries give judgments many times inconsistent with the facts or exaggerated in amount. Almost all accidents are bulwarked with adequate and high limits of liability insurance, in many cases by several insurance carriers, or if self-insured, by adequate financial worth. A lawyer knows that he can obtain some money settlement on practically every injury claim he presents.

A one year study by an insurer indicates that, using a 35 per cent contingent fee as average, almost $\frac{1}{4}$ of all the money which was paid during the year in personal injury payments ultimately went to plaintiffs lawyers as fees, mostly to the so-called damage specialists. This was true even though in a substantial majority of all claims, the insurance company and the injured person settled without the injured person retaining a lawyer.

I have already stated that in 1957 insurance companies paid out a total of \$1,658,320,000 for personal injuries and death claims alone. From all of the information I have gathered, I believe railroads and all other self-insurers paid approximately $\frac{1}{3}$ of this sum in addition. On this basis the total sum paid for all personal injury and death claims amounted to \$2,211,093,333. If we

consider that plaintiffs' lawyers took as fees, $\frac{1}{4}$ of this sum, the plaintiff lawyers of this country carved the goose for \$552,773,333 — yes, I repeat — \$552,773,333 in contingent fees — in 1957. Probably a group not exceeding 3,500 lawyers or firm, each having incomes from contingent fees ranging from \$75,000 to \$1,000,000 a year received the greater part of this vertiable pot of gold.

I have been able to accumulate some fragmentary figures from a few sources concerning part of the settlements obtained by some damage specialists. These figures may represent a small or large part of the damage business which these men do and does not represent any other law business which I am sure all these lawyers handled. In a mid-western city one law firm received \$14,729,389 from one group of defendants in a period of 5 years and 3 months ending December, 1957. At a 30 per cent contingent fee this firm would have received \$4,418,816, or an income of \$70,140 each month from this part of their contingent fee business alone. A portion of their settlements in 1957 computed on the same basis, would have netted this firm \$846,276.90 as a part of their total fees for the year. A check made in April of 1958 discloses that this firm had 403 damage law suits pending against railroad companies alone with demands running into the millions of dollars.

I know of \$5,970,258 which a west coast firm received during the same

period as a part of its law business. On the same fee basis as above, the partial income from this part of its business would have been \$1,791,077. The of 1957 would have netted this firm \$443,342, or \$36,945 each month.

It is clear this firm's damage fees are increasing every year, and as of April, 1958, it had 196 damage suits pending against railroads alone.

A Baltimore lawyer was paid \$4,341,280 by several companies during the same period. At the same fee as above, this business would have brought him \$1,302,384 or \$20,673 every month.

Another law firm in a midwestern city made settlements with railroads amounting to \$7,434,263 in a three year and three month period. On the same basis as above, this firm would have made \$2,230,278 during this period or \$57,445 each month. As an example of individual fees, one single personal injury claim settled this year, netted the plaintiff lawyer a contingent fee of \$150,000! These fees are only a part, perhaps small, perhaps large — of the above lawyers' incomes, and they constitute a few of a hundred examples I can give of known fees to damage specialist firms which run into astronomical figures. None of these figures include contingent fees from the Property Damage claim business which amounted to millions more.

After all is said and done, it is the public — the insurance policy-

(More on page 34)

Corporations are usually sure their accounting is in order but have C.P.A.'s check it.

Corporations are usually sure their insurance is in order but they should have it checked. The same logic applies to both.

CORPORATE ADVISORS, INC.

Insurance Consultants

ERNEST L. CLARK, President

Compensation on Fee Basis Only

15 William Street
New York 5, N. Y.
Tel.: Whitehall 3-0697, 0698

New Jersey address:
Box 87
Summit, New Jersey

Compensation — Gallagher

(From Page 33)

holder — the daily bus rider — the hard working business man — who ultimately pays these fees.

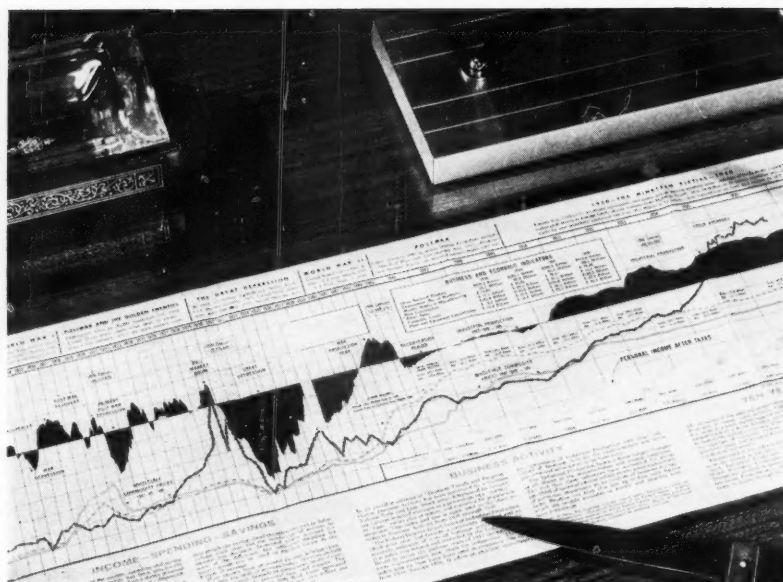
How is this damage business divided? In one Midwestern city, six lawyers or firms out of a total of 3,500 lawyers control 1800 personal injury law suits. This is 65 per cent of such cases filed in the courts and awaiting trial. On one average day, these six firms had 52 suits on the trial and active list, and 31 suits on the engaged counsel list, which meant that these cases were ready for trial but the lawyers were too busy to try them. Yet when interviewed, the head of one of the six firms stated, "We need better judges. The quality of the present bench leaves something to be desired." This firm had 400 pending law suits in June of 1958.

One lawyer in this city had 450 law suits pending in June of 1958 and only a small per cent were against railroads. The same lawyer received approximately \$9,000,000 from judgments and settlements against railroads in a five year period. His usual fee is 33-1/3 per cent which would total approximately \$3,000,000 in fees from this source of business alone. According to the Cleveland Press which made this survey, it would take 15 judges at least 70 trial weeks to clear the dockets of the 1,800 law suits which these six firms have pending, and during every one of these 70 weeks these same firms would be dropping new law suits into the hopper. None of this, of course, gives any idea of the thousands of other claims which these firms obtain and which are settled without litigation.

Naturally, I am in favor of fair compensation for all competent attorneys, based on the time expended and their services to their clients. However, the equities do not add up, and constantly increasing thousands of injured persons and their relatives and friends resent and mistrust all lawyers as a result of overcharging by a relatively few.

(More on Page 37)

Ready now...



FREE 1959 Business Trends Chart

U. S. economic history at a glance

Let this picture of the past help guide your future. It shows you more than a century and a half of business ups and downs, with informative notes on our national economy.

Protect your investment in accounts receivable

with **American
Credit Insurance**

TO GET YOUR COPY, MAIL THIS COUPON NOW

AMERICAN CREDIT INDEMNITY COMPANY OF NEW YORK

Dept. 33, 300 St. Paul Place, Baltimore 2, Maryland

Name

Company

Address

City Zone State

Risk Discovery — Criddle

(From page 31)

DEFINITIONS FOR THIS PURPOSE:

- Hypothesis: A tentative proposition, theory or supposition adopted to guide in the investigation of facts.
Risk: The exposure to perils or hazards capable of producing financial loss.
Significant: Important or of consequence to the person or corporation under consideration; hence, as used here, a relative term according to total net worth or income.
Peril: The occurrence or event causing loss (i.e., a **fire, windstorm, explosion, accident**, etc.).
Hazard: A condition affecting the likelihood, or probability of occurrence of a peril (i.e., defective wiring, location in windstorm area, handling of explosive materials, dangerous operations, etc.).

(APPENDIX C)

JOHN DOE MANUFACTURING COMPANY FINANCIAL STATEMENT AS OF

*Initial Risk Analysis Reference

ASSETS		
CURRENT ASSETS		
Cash in banks	\$ 3,300,000	I (c) (f)
Cash in offices	25,000	I (a) (b) (c) (d)
Securities	3,000,000	I (a) (b) (c) (d) (e); II (d)
Accounts Receivable	4,700,000	I (a) (b) (c) (d) (f); II (d)
Inventory (stock and supplies)	8,618,000	I (a) (b) (c) (d) (e) (f); II (a) (b) (c) (e) (f) (g); III (a) (b)
Notes Receivable	225,000	I (a) (b) (c) (d) (e) (f); II (d)
Insurance, taxes and other expenses paid in advance	324,000	II (f)
		\$20,192,000
INVESTMENT AND ADVANCES TO SUBSIDIARY OR AFFILIATES		
Investments	\$ 530,000	(Comment A)
Advances	250,000	(Comment A)
		\$ 780,000
FIXED ASSETS (Capitalized)		
Plant at Cost		
Land	\$ 619,000	I (c) (e); II (d); III (a) (b)
Buildings	9,444,000	I (a) (b) (c) (e); II (a) (b) (e) (f); III (a) (b)
Construction in progress	550,000	I (a) (b) (c) (d) (e) (f); II (a) (b) (c) (f) (g); III (a) (b)
Machinery and equipment	5,925,000	I (a) (b) (c) (d) (e) (f); II (a) (c) (f) (g) (i); III (a) (b)
Tools, dies, jigs and fixtures	100,000	I (a) (b) (c) (d) (e) (f); II (a) (c) (f) (g) (i); III (a) (b)
Aircraft	280,000	I (a) (b) (c) (d) (e); II (a) (c) (e) (f); III (a) (b)
Automobiles	205,000	I (a) (b) (c) (d) (e); II (a) (c) (e) (f); III (a) (b)
Less accumulated reserve for: Depreciation ..	—3,652,000	(Comment G)
Net value of plant and equipment	\$13,471,000	
OTHER ASSETS	157,000	(Comment C)
TOTAL ASSETS		<u>\$34,600,000</u>
*See Appendix A.		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,708,000	
Accrued wages and salaries	1,151,000	
Income taxes	2,482,000	
Other taxes	396,000	
Notes Payable within one year	1,000,000	\$ 6,737,000
DEFERRED LIABILITIES		
Notes Payable due more than one year hence (1)		3,000,000
STOCKHOLDERS INVESTMENT		
Common stock	\$13,053,000	
Surplus earnings retained for use in Business	11,810,000	<u>24,863,000</u>
TOTAL LIABILITIES		<u>\$34,600,000</u>
TRANSFER AGENTS		
Bank and Trust Company		III (a)
Anywhere, U. S. A.		(Comment D)

(More on page 39)

Deductibles — Smith

(From page 32)

ects; but we can expect a large scale impact by the beginning of the next decade". The article also notes that — "Currently accepted methods of operation will be inadequate to cope with the coming industrial revolution that will be triggered by new products and new processes now under development."

* * *

Continuing further, Nation's Business predicts that "products *not now available* are expected to add an estimated fifty billion to sales and accounts for 13% of all manufacturing by 1960. The volume of new products and processes from industrial laboratories will increase each year during the next decade. It will be an age of innovation unequaled in history". This is the prospect of an exciting, fast-moving future wherein the conventional insurance products and practices of traditional competitors must inevitably give way to a more advanced design tailored to the economy.

There is no need for any underwriter to venture against his better judgment; but he must not be allowed to keep other underwriters from venturing. The path must be left open for progress through invention and innovation. In this way the rewards will go to those who are able to surmount the problems of tomorrow's underwriting requirements.

To meet your needs as insurance buyers in this challenging future, we as underwriters must have freedom under our rate regulatory laws to venture; for that is the only testing laboratory available to insurance. If you shut off this privilege by unyielding and unenlightened regulation, or if you legislate regulation responsive to the advocates of the status quo, you will retard advance in insurance practices to the pace of the slowest tortoise in the race.

You can be of vital assistance in making it possible for the progressive underwriters to continue un-better insurance job. Specifically, you should be sure to make your needs known, and you should de-

mand that underwriters be given the freedom necessary to satisfy your requirements. If insurance regulation is to be truly responsive to your needs, then you, as an important part of the public, must be articulate.

Your voice can be most effective in convincing legislatures and public officials that those who prefer the status quo should not be allowed to enforce their own inaction

on others, and that American Underwriters must be given the same freedom as their foreign competitors who operate as non-admitted insurers in an area free from rate and form regulation.

There are times when silence is golden, but not when it comes to advocating the principles of common sense, free enterprise and independence from paralyzing restraints.



UNITED STATES AIRCRAFT INSURANCE GROUP

Founded 1928

We have the ability and financial strength
to fully insure corporate aircraft

Thirty years experience
Sixty-two Member Companies

Insure with the "US Group" through
your own agent or broker



UNITED STATES AVIATION UNDERWRITERS

Incorporated

110 WILLIAMS ST., NEW YORK 38, N. Y.

CHICAGO • ATLANTA • DALLAS • HOUSTON
LOS ANGELES • SAN FRANCISCO

Compensation — Gallagher

(From page 34)

The injured person has no set of values to follow when a contingent contract fee is entered into, and has no legal recourse if it is unjust. It is possible that under such a contract, a few days of services rendered can net a lawyer \$10,000 to \$15,000, while his client who may suffer the rest of his life, receives no more himself.

The best evidence as to whether overpayment is resulting from contingent fees lies in knowledge shared by plaintiff and defense lawyers here today. The defense attorney, generally, receives fees based on the prevailing Bar Association rates. In almost every damage case, as all of you well know, the plaintiff lawyer receives a fee larger than that of the defense counsel, and in countless instances it is several times as large. Inquiry into almost every community in this country will disclosed that defense lawyers are turning to the plaintiff's side of the law business, because the reward is so much greater than

that income elicited from the local Bar Association schedule of fees.

A new open sesame greater than any jackpot ever conceived in the gambling halls of Las Vegas has been opened to exploitation by those lawyers who are greedy, unethical and who specialize in the direct or indirect solicitation of damage cases or in the referral by others of claims which have been solicited.

The tragedy to the Bar is that these men constantly take away from the general practitioner, business which he would obtain in the ordinary course of his legal practice from personal clients, or the friends and relatives of clients who ordinarily would have him represent them. The family practitioner has the client's interest at heart, there is no overcharging, and the client is well served.

Now, many times the injured do not have a free choice in hiring their own lawyer, or in deciding whether they need a lawyer at all, because of the exaggerated and high pressure sales talk, the dangling of immediate moneys to be advanced to them, and the talk of a

veritable pot of gold at the end of the rainbow, by the chasers or solicitors of specialists and, in many cases, by the specialists themselves.

Usually the injured person is signed up before he even has a chance to find out what the defendant representatives will pay in settlement of his claim. As an example, I know of an injured person who was taken to a hospital with very serious injuries and within two or three days, even though in extreme pain, she had been solicited, worried, and high pressured by eleven different soliciting lawyers or their runners. They were probably sent either by the doctors, interns, or hospital attaches or just came in off the street of their own accord. The pressure was so great that while in a semi-conscious condition during this period, she was signed up by three different sets of lawyers, and the contingent fees she obligated herself to pay amounted to 105 per cent of any recovery she might receive. After fighting over this juicy injury claim like a pack of hungry dogs over a plate of raw

(More on page 38)

In Your Service

Among the many functions of a competent insurance agency is the knowledge of insurance markets — where to secure the broadest coverage in financially sound companies at minimum cost.

We pride ourselves, as do insurance buyers, on our ability to keep informed of the ever-changing insurance source of supply.

If you have a problem, we believe one of our specialists can help solve it.

BYRNES-McCAFFREY, INC.

Detroit

Chicago

Compensation — Gallagher

(From Page 37)

meat, one firm finally came out ahead. She was immediately removed from the hospital, even though her broken neck was in traction and the move might have killed her, and was safely encased in a friendly hospital so she could be well-protected against any other soliciting vultures who might still be eager for their pound of flesh. Conduct such as this is damaging the legal profession somewhere in this country every day.

This is particularly true in many metropolitan areas today where it is almost impossible for the ethical, general practitioner to obtain clients in damage cases, and it is growing more and more true in the smaller cities of our country.

Without realizing it, the lawyers of this country have tolerated, protected, and made rich a few shrewd, unscrupulous plaintiff specialists, not only at the expense of their own incomes, but also at the expense of the whole system of existing American jurisprudence.

A legal system even partially based on duress, fraud, deceit and high fees, by which a relatively few lawyers solicit cases and become rich; a system in which the great bulk of the damage business today is controlled by a small group; a system by which a part of the courts have been made to feel that the persons who are at least partially responsible for their own injuries should still take money from the pockets of others because of those injuries; a system whereby juries often lose all sense of proportion in returning money verdicts merely because an insurance company is at the other end of the line; a system whereby some lawyers may become small loan sharks so that at high rates of interest they become the lenders of money to their clients, and therefore become involved in a selfish and personal relationship with the claims of their clients; a system in which truth may become an unimportant factor in the evidence which goes before a jury; a system by which a few specialists in this trade of personal suffering take, in many

cases, hundreds of dollars in fees for each hour they spend in the service of their client; such a system, my friends, cannot long endure, and no institution, such as this particular facet of American jurisprudence, which allows itself to be contaminated by it can long endure either.

One of the most debilitating effects on local bar associations and those men active in trying to keep the practice of law an honorable profession, arises from the present travesty carried on by many courts, particularly appellate in form. I refer to the courts refusal to disbar lawyers engaged in the illegal practice of law. In some cases they seem to congratulate them for their solicitations and their unethical conduct as was noted in an editorial of a great daily newspaper "The Chicago Daily News" some months ago.

A case in point which deserves attention is *In Re Saul E. Cohn, Attorney, Respondent*. 10 Ill. 2d 186, 139 N. E. 2d 301, which reads in part as follows:

"The practice of solicitation . . . is one of those serious problems confronting the profession. It is condemned by the canons of ethics of every bar association, and yet some lawyers persistently engage in such improper conduct, bringing the entire profession into disrepute. . . . The disreputable behavior of respondent in the case at bar cannot be attributed to mere carelessness or ignorance of ethical standards. By his own admission he knew the reprehensible nature of the practice, and yet deliberately continued it. Such misconduct deserves nothing but contempt in the eyes of judges, lawyers, and the public generally. It cannot be condoned. Since respondent is unquestionably guilty of unprofessional behavior tending to bring the courts and the profession into disrepute, *we hereby severely reprimand and censure him.*" (The underlining is mine.)

Many Illinois attorneys feel the practice of law in that state has ceased to exist as an honorable profession.

Gentlemen, I speak to you not as a representative of any company, trade association, or the insurance industry, but as an individual at-

torney and a member of my local, state, and the American Bar Associations, who is deeply concerned with the future of our legal system and our great profession.

Whatever social or economic philosophy ultimately dominates the field of personal injury, be it a hodge-podge give-away through the courts or a total welfare system by legislative action, the insurance companies will move with the times and adjust their business practices accordingly. But, gentlemen, we in the legal profession, cannot let ourselves be moved from the moral and ethical concepts upon which the American system of jurisprudence was founded, or we may find that we have loaded the revolver for a fatal game of Russian Roulette with the future professional life of all of us, and with the best interests of our people.

From what I have said, it might seem that I should favor the easy way out of this dilemma, which is, of course, a system of payments to all injured, based on the workmen's compensation type program now existing in every state in this nation.

The advantages are obvious.

1. The person who is injured or the survivors of those killed would receive all the money awarded.

2. There would be no argument as to fault and no delays because of uncertainty.

3. An umbrella of security and ability to pay its bills would be placed over the entire injured population of the United States.

4. Costly court trials, as reported by a good authority, which now cost litigants and taxpayers in the City of Chicago an average of \$4,000 for a three-day trial and \$8,000 if the trial lasts six days, would be eliminated. The salaries of judges, court attendants and the fees for jurors, witnesses and parties to the action would all be saved for the taxpayer.

5. The congestion of the courts, to which there seems to be no answer, would be eliminated.

These are clearly advantages that we must deeply and thoughtfully weigh in any argument for universal adoption of a compensation system.

(More on page 40)

Risk Discovery — Criddle

(From page 35)

(APPENDIX C) Continued

JOHN DOE MANUFACTURING COMPANY OPERATING (PROFIT AND LOSS) STATEMENT

INCOME:

Net Sales	\$52,060,000
Miscellaneous Income	<u>179,000</u>

Initial Risk Analysis Reference

I (a) (b) (c) (d) (e) (f); II (h) (i);
III (a) (b)
(Comment C)
\$52,239,000

EXPENSE:

Cost of Goods Sold

Materials and Supplies	\$13,000,000
Freight in	98,000
Direct labor	16,000,000
Manufacturing expense	<u>3,908,000</u>

I (a) (b) (c) (d) (e); II (a) (b) (c) (f)
(g); II (a) (b)
(Comment E)
I (b) (c) (d); II (j); III (a) (b)
(Comment C)
\$33,006,000

Selling Expense

Salesmen's Salaries	\$ 4,612,000
Salesmen's Expense	551,000
Freight out	69,000
Advertising	<u>500,000</u>

I (b) (c) (d); II (j); III (a) (b)
III (a) (b)
(Comment E)
III (a) (b)
\$ 5,732,000

Administrative Expense

Salaries	\$ 3,271,000
Rentals	106,000
Office supplies	68,000
Miscellaneous office expense	<u>23,000</u>

I (b) (c) (d); II (j); III (a) (b)
(Comment C)
I (a) (b) (c) (d); II (a) (b); III (a) (b)
—
\$ 3,468,000

Other Expense

Interest	\$ 160,000
Research and development	<u>134,000</u>

—
(Comment C)
\$ 294,000

TOTAL EXPENSE	\$42,500,000
EARNINGS BEFORE TAX ON INCOME	9,739,000
INCOME TAXES	<u>—5,100,00</u>
NET EARNINGS	\$ 4,639,000

COMMENTS:

- Control or supervision of the entire insurance program of the subsidiary or affiliated company is recommended for corporate protection;
- "Depreciation" is indicative of the substantial spread that exists between "replacement costs" and "depreciated values" and is part of the risk to the corporation;
- A detailed breakdown of this item is required to estimate the risks;
- A corporation has an obligation to shareowners to only transfer, reissue or otherwise act upon stock on the basis of valid instruction of the shareowner. When this function is transferred, the liability for improper acts should also be transferred and contractual agreement to this effect obtained.
- "Freight in" and "freight out" establish a strong presumption of transit risk to the corp.

Koppel Printing Company, Inc.

225 West 39 Street, New York 18, N. Y.

LOngacre 5-4270

DESIGN and TYPOGRAPHY • COMPOSITION • LETTER PRESS PRINTING
OFFSET LITHOGRAPHY • PHOTOENGRAVING • BINDING • MAILING

Printers of "The National Insurance Buyer"

Compensation — Gallagher

(From page 38)

I oppose this system for two reasons. In the first place, I fear this cure would be worse than the disease, particularly since the disease can be otherwise cured. In the second place, I believe that the judges and the honorable practitioners of our American Bar will correct the evils which beset the damage business.

It is obvious that the United States is in danger of slipping into a security state whereby citizens often are recompensed and secured, not because they deserve help, but because, for reasons of their own laziness, inabilities, carelessness or downright meanness, certain financial need is caused to exist in their lives. The legal profession has opposed a security state and has always been in the forefront in every battle against socialism.

Today, because of the acceptance of the theory of comparative negligence as the basis of recovery of damages by many of the courts of this nation; because of the laxity of the American Bar in policing its own ethical and moral standards; because of the selfishness of a comparatively few lawyers who specialize in the art of recovering damages, and a few insurers who refuse to pay legitimate claims, the whole structure of our existing American jurisprudence, as far as damage law is concerned, is crumbling. This may drive every person beset by injuries to an acceptance of a socialism similar to that which the legal profession has tenaciously opposed for many years.

If not stopped, we will have a collective security system in which, at first, not the government but individual citizens will be asked to carry on their shoulders the unfortunate financial burden resulting from the carelessness, stupidity, drunkenness and utter disregard for the safety of themselves and others of all those who are injured through their own fault. This is the present concept for the future of the American injured.

To say that this will not happen is to ignore the fact that one of the largest insurance companies in the

country is now selling a compensation type insurance coverage for any person injured or killed, and that 60 per cent of its policy holders are adding this coverage to their regular automobile public liability policies. This coverage was adopted for one reason only. The company has grown tired of being forced to pay everyone who is injured whether that person is legally justified in obtaining a recovery or not, when the premium is based on an out-moded conception of limited legal liability. It merely decided that since it was going to be forced to pay all kinds of claims, it might as well receive a premium for them. It may be that if this kind of insurance coverage sweeps the country, all companies will be forced by competition into writing a similar coverage.

This does not weaken my conviction that any insurance coverage or law is wrong which opens the door for those who bring on their own injuries to be paid for such injuries by other innocent citizens. I believe that the furtherance of this concept of recovery already has undermined our whole moral, ethical and social fibre so far as the courts of this country have allowed it to happen. I believe that if we continue in the path on which many of the plaintiff lawyers, courts and juries are now traveling that, compensation without regard to fault, to be paid at first by the motorist, and, finally by the state, is the ultimate result.

A country which allows the imposition of penalties on innocent citizens because of the careless or negligent conduct of others is lacking in moral fibre, and is trading its basic concept of justice for expediency and ultimately a socialist or communist state. Such a practice cannot long be enforced against a citizen who happens to be the innocent victim, unluckily associated with the act which caused the jury of the careless. In a short time, the government and you, as taxpayers, will have to take over the payment to the careless, the drunken and the negligent who are injured by accident. This is the logical end to which the philosophy of compensating the injured without regard to fault leads.

Since I have implicit faith in the high principles, the integrity and the insistence of the great majority of American judges and lawyers in purging our jurisprudence and our profession of cancerous conditions when the truth becomes known to them, I state emphatically that the present trend can be stopped. However, it can only be stopped by the individual and concerted efforts of the courts, the insurance industry, the juries and the attorneys.

The Courts Can

1. Direct verdicts where there is no liability.

2. Examine the merits of suits in pre-trial hearings and if they find the evidence to be clear, advise the plaintiff and defense of their findings, instead of just attempting to force the defendant to pay, as many courts do today.

3. Make a decision as a matter of law, instead of referring clear-cut cases of contributory negligence to the jury for decision.

4. Take disciplinary action against lawyers who file suits without any merit or sue in higher courts on matters of a nominal nature.

5. Recommend cases to the state's attorney where perjury is committed and see that the perjurers are prosecuted.

6. Set aside verdicts without hesitation where a jury has decided a case unjustly or granted an excessive award.

7. Provide protection for injured persons against excessive contingent fees, before legislatures do so.

8. Stop the travesty which is currently widespread among many courts who refuse to disbar lawyers who are guilty of engaging in the illegal practice of law, and who many times even admit their guilt.

9. Re-affirm their position of prestige and honor which is being lost more and more by turning their responsibilities and decisions over to the jury, and by refusing to discipline shyster lawyers.

Insurance Companies Must

1. Create a better understanding by the public of the nature and principles of the insurance industry, and of its importance both to individuals and of our national economy.

(More on page 41)

**LUMLEY, DENNANT
and
COMPANY, INC.**

Specialists in
SPECIAL RISKS

- "Umbrella" Liability Contracts
- "All Risks" on Real and Personal Property
- Fire on Deductible Basis
- Special Coverages for Banks
- Contractors Coverages (home and foreign jobs)

Represented at

LLOYD'S

and throughout the world

by

EDWARD LUMLEY

& SONS, LTD.

London, England

Canada	Malaya
Australia	Ceylon
New Zealand	South Africa
France	Singapore

**Business Written
for
Brokers and Agents
ONLY**

60 East 42nd Street
New York 17, New York

1211 Garrett Building
Baltimore 2, Maryland

37 Lewis Street
Hartford, Connecticut

Compensation — Gallagher

(From page 40)

2. Educate the public as to the purpose of insurance as a spreading of the risk among all policyholders, and explain that liability insurance is a limited coverage and not accident insurance.

3. Pay all legitimate claims promptly.

4. Strive constantly to upgrade its claim supervisory staffs, so that insurance will be more adequately and intelligently represented in the field of insurance claims.

5. Police its own claim personnel and assist bar associations, at their request, in giving evidence of the illegal practice of law by attorneys.

6. Contribute to research in highway safety and actively participate in civic functions which promote highway safety.

7. Help promote safer vehicle design and construction.

8. Assist officials and civic groups who are attempting to institute compulsory driver training courses for high school students.

Juries Should

1. Realize that justice is based on compensating the innocently injured, and not the guilty, careless or incompetent.

2. Understand that in a very high per cent of the awards, they are spending their own money, as it all comes from the premium dollar which they as policy holders pay.

3. Prevent their sympathy or emotion from overcoming their duty to judge cases on the law and the facts.

4. Not assess damages merely because the defendant carries insurance.

The Attorneys Must

1. Remove from practice, through the medium of their Bar Associations, and the courts, those lawyers who attempt illegally to monopolize the damage practice by solicitation of business, lending of money to clients, subsidizing of the specialists personal physicians, and by the taking of exorbitant and unjustified fees from the injured.

2. Re-assert their position, as honest, ethical practitioners, constituting the greatest per cent of

the Bar, to the right to represent their real clients in all their legal problems including those of damage claims.

3. Refuse to present claims they feel are not well founded, are exaggerated or fraudulent. (Many lawyers have presented claims which they admit have no real merit but which they assert have a "nuisance value" — another term for a common form of light blackmail in the damage business.)

4. Discourage and stamp out profiteering in fees by the unscrupulous practitioner by setting up proper safeguards for the protection of injured persons who are claimants.

5. Insist that the bench be filled with competent, industrious and fearless judges by taking part in the selection of candidates, and by passing laws providing ample compensation and adequate security, so as to attract a greater number of capable men to the bench.

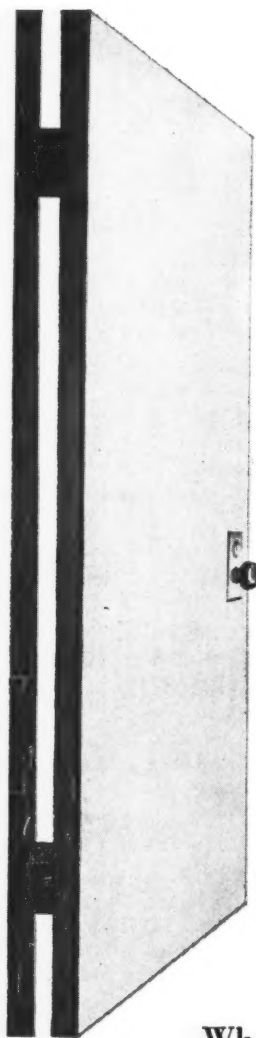
6. Interest themselves in the subject of all traffic laws and of driver licensing, and accept their responsibility in the enactment of laws, and the enforcement by officials of laws to remove permanently from the highways the incompetent, careless and inefficient driver.

All four groups — judges, insurance companies, juries and attorneys — must unite to bring back our basic concept of justice in the field of damages.

All must work in an educational program to inform the public not only of its responsibility but also of the unfortunate consequence it could bring upon this country by irresponsibility. They should educate the public to an understanding that it should make only legitimate claims against insurance companies for legitimate amounts, and that it is just as immoral to cheat in the presentation or evaluation of an insurance claim, as it is to steal from the local store.

When all of this is accomplished, there will be no need for compensation without regard to fault, and our traditional system of jurisprudence will continue, rehabilitated and made stronger than ever before in our history.

(Speech delivered before the American Bar Association — 1958.)



An agent is known by the company he keeps

Whatever your insurance requirements—business or personal, you may rely on a CHUBB & SON representative. This responsible independent agent, carefully selected for character and competence, has the facilities to protect your interests properly.

CHUBB & SON, INSURANCE UNDERWRITERS

90 John Street, New York 38, New York

Managers

FEDERAL INSURANCE COMPANY and associated companies

CHAPTER DIRECTORY

AMERICAN SOCIETY OF INSURANCE MANAGEMENT

ATLANTA CHAPTER

Meetings—Fourth Wednesday of each month.
President—B. W. Rainwater, Georgia Power Company, Atlanta
Vice-Pres.—William H. Quay, Jr., The Coca-Cola Company, Atlanta
Secy.-Treas.—W. Ray Walker, Citizens & Southern National Bank
 P. O. Box 4899, Atlanta 2, Georgia

CENTRAL ILLINOIS CHAPTER

Meetings—2nd Thursday each month. Bloomington, Illinois. Dinner 6:30 P.M.
President—A. A. Baker, Funk Brothers Seed Company, Bloomington
Vice-Pres.—Carl J. Hutchins, Caterpillar Tractor Company, Peoria
Secy.-Treas.—John W. Needham
 Caterpillar Tractor Company
 Peoria 8, Illinois

CENTRAL MASSACHUSETTS CHAPTER

Meetings—Check with Secretary
President—George M. Betterley, Betterley Associates, Worcester, Mass.
Vice Pres.—Henry C. Merriam, The Vellumoid Company, Worcester, Mass.
Treasurer—Laurence T. Kane, Riley Stoker Corp., Worcester, Mass.
Secretary—Harold F. Keyes, Brown & Sharpe Mfg. Co.
 235 Promenade Street
 Providence, Rhode Island

CHICAGO CHAPTER

Meetings—3rd Thursday of each month. September through May. Dinner. 6:00 P.M.
President—Richard E. Blakley, Helene Curtis Industries, Chicago
Vice Pres.—E. R. Zimmerman, American Bakeries Company, Chicago
Treasurer—G. J. Burns, Continental Ill. National Bank & Trust, Chicago
Secretary—Ann Auerbach, Goldblatt Bros., Inc.
 333 South State St., Chicago 4, Illinois

CINCINNATI CHAPTER

Meetings—1st Wednesday each month except July and August. Luncheon 12 Noon
President—A. J. Haberer, The Procter & Gamble Company, Cincinnati
Vice-Pres.—H. J. Fjord, The Western & Southern Life Insurance Co., Cincinnati
Treasurer—R. F. Hoeweler, Acme-Newport Steel Co., Newport, Ky.
Asst. Treas.—W. J. Hancock, Armco Steel Corp., Middletown, Ohio
Secretary—P. K. Dykes, The Ohio River Company, P.O. Box 1460, Cincinnati 1, Ohio

DALLAS-FORT WORTH AREA CHAPTER

Meetings—3rd Thursday, each month. Luncheon 12:00 Noon
President—D. H. Mackaman, Campbell, Taggart Associated Bakeries, Inc., Dallas
Vice-Pres.—Raymond C. Harrison, American Petrofina, Inc., Dallas
Treasurer—Murray Saunders, Gifford-Hill & Company, Dallas
Secretary—Miss Annetta M. Johnson, The Murray Company of Texas, Inc.
 3300 Canton Street
 Dallas, Texas

DELAWARE VALLEY CHAPTER

Meetings—3rd Monday each month. Dinner 6:30 P.M.
President—Charles R. Garton, Atlantic City Electric Co., Atlantic City, N. J.
Vice-Pres.—Howard C. Giles, E. I. DuPont de Nemours & Co., Inc., Wilmington, Delaware
Treasurer—David D. Day, Ar ican Viscose Corporation, Philadelphia, Pa.
Asst. Secy.—Milton Shaw, Kaiser Metal Products, Inc., Bristol, Pa.
Asst. Treas.—Chester Drummond, Campbell Soup Company, Camden, N. J.
Secretary—W. L. Higgins, United Engineers & Constructors, Inc.
 1401 Arch Street
 Philadelphia, Pa.

INSURANCE BUYERS ASSOCIATION OF DETROIT

Meetings—3rd Wednesday each month. Dinner 6:00 P. M.
President—F. L. Kiernan, Michigan Consolidated Gas Company, Detroit
Vice-Pres.—E. D. Damon, Parke Davis & Company, Detroit
Treasurer—C. J. McAdams, Bulldog Electric Products Company, Detroit
Secretary—W. H. Siegel, Detroit Steel Corporation
 P.O. Box 4308 Porter Station, Detroit 9, Michigan

HOUSTON AREA INSURANCE BUYERS ASSOCIATION

Meetings—2nd Wednesday each month. Luncheon, 11:30 A.M.
President—G. L. Foley, Humble Oil Refining Company, Houston
Vice-Pres.—Wm. A. Holcomb, Jr., Transcontinental Gas Pipeline Corp., Houston
Treasurer—Raymond O. Horn, Quintana Petroleum Corporation, Houston
Secretary—George O. Spencer
 Trunkline Gas Company
 P. O. Box 1642
 Houston 1, Texas

MARYLAND CHAPTER

Meetings—3rd Thursday each month. Dinner 6:30 P.M.; Sept.-June
President—Jesse F. Little, Mercantile-Safe Deposit & Trust Company, Baltimore
Vice-Pres.—B. L. Beninghove, Maryland Shipbuilding & Drydock Company, Baltimore
Secy.-Treas.—Miss Dorothy L. Graf, L. Greif & Bros., Inc., 401 Homeland Avenue, Baltimore 12, Maryland

MINNESOTA CHAPTER

Meetings—4th Tuesday of each month. Dinner 6:30 P.M.
President—Robert S. Johnsen, St. Paul Terminal Warehouse Company, St. Paul, Minn.
Vice-Pres.—Clyde Thompson, International Milling Company, Minneapolis, Minn.
Secy.-Treas.—M. Scott Rhodes,
 Owatonna Canning Company
 P. O. Box 88
 Owatonna, Minn.

MONTREAL INSURANCE BUYERS ASSOCIATION

Meetings—3rd Thursday October through May. Luncheon, 12 Noon.
President—J. G. Harper, Northern Electric Company, Limited, Montreal.
Vice-Pres.—H. H. Cowan, Steinberg's Limited, Montreal.
Secy.-Treas.—Glen Buchanan—The Shawinigan Water & Power Company,
 600 Dorchester St. West
 Montreal, Canada

NEW YORK CHAPTER

Meetings—4th Thursday each month, except July and August. Luncheon 12:30 P.M.
President—Frank Hornby, Jr., U. S. Industries, Inc., New York
1st Vice-Pres.—Wm. S. Burkett, American Machine & Foundry Company, Brooklyn, N. Y.
2nd Vice-Pres.—Robert B. Schellerup, Union Bab-Camp Paper Company, New York
Treasurer—James S. Southwick, Ethyl Corporation, New York
Secretary—Don W. Berry, The Borden Company, 350 Madison Avenue, New York 17, N. Y.

NORTHERN CALIFORNIA CHAPTER

Meetings—3rd Thursday of each month. Dinner 6:00 P.M.
President—R. A. Westran, Kaiser Aluminum & Chemical Corporation, Oakland
Vice-Pres.—H. L. Hilleary, Standard Oil Company of California, San Francisco
Treasurer—E. A. Smith, Lando Products, Inc., Sausalito, California
Secretary—D. F. Hodges, Crocker-Anglo National Bank
 1 Sansome Street, San Francisco, Calif.

OREGON CHAPTER

Meetings—1st Wednesday of each month. Dinner, 6:00 P.M.
President—L. H. Forsythe, U. S. National Bank, Portland
Vice-Pres.—R. H. Horning, Mail-Well Envelope Company, Portland
Secy.-Treas.—R. E. Marcy
 First National Bank of Portland
 S. W. Fifth and Stark Streets
 Portland, Oregon

INSURANCE BUYERS ASSOCIATION OF PITTSBURGH

Meetings—Alternate Tuesdays: September through May
President—Ralph W. Low, Westinghouse Electric Corporation, Pittsburgh
Vice-Pres.—John R. Kountz, The Rust Engineering Company, Pittsburgh
Vice-Pres.—Gerald O. Griffin, Dravo Corporation, Pittsburgh
Treasurer—Leo F. Kane, The Equitable Gas Company, Pittsburgh
Asst. Secy.—Robert J. Morton, Blaw-Knox Company, Pittsburgh
Secretary—Thomas G. Noel,
 The Rust Engineering Company
 930 Fort Duquesne Boulevard
 Pittsburgh 22, Pa.

SOUTHERN CALIFORNIA CHAPTER

Meetings—3rd Wednesday of each month. Dinner: 6:30 P.M.
President—Roy A. Balling, Northrop Aircraft, Inc., Hawthorne
Vice-Pres.—Philip V. Myers, Lockheed Aircraft Corporation, Burbank, California
Treasurer—Waldo W. Powers, Signal Oil & Gas Company, Los Angeles, California
Secretary—M. J. Bowman, American Potash & Chemical Corp.
 3030 West Sixth Street
 Los Angeles 54, California

VIRGINIA-CAROLINA CHAPTER

Meetings—Please check with Secretary for place and date.
President—Stewart B. Foulke, Jr., Virginia Electric & Power Company, Richmond, Va.
Vice-Pres.—B. H. McGhee, Noland Company, Inc., Newport News, Va.
Treasurer—G. T. Newman, Smith-Douglass Co., Inc., Norfolk, Va.
Secretary—T. A. Newby, Commonwealth of Virginia
 Department of Highways
 Richmond, Virginia

Roster Of Member Companies

AMERICAN SOCIETY OF INSURANCE MANAGEMENT, INC.

ATLANTA

American Art Metals Company
Atlanta Lithograph Company
Atlanta Newspapers, Inc.
Atlanta Transit System, Inc.
Citizens & Southern National Bank
The Coca-Cola Company
Delta Air Lines, Inc.
The First National Bank of Atlanta
Georgia Highway Express, Inc.
Georgia Power Company
H. W. Lay Company, Inc.
Lockheed Aircraft Corporation
(Georgia Division)
Mead-Atlanta Paper Company
National Manufacture & Stores
Corporation
Rich's Incorporated
Southern Airways, Inc.
Curtiss 1000, Inc.
Southern Nitrogen Company, Inc.

CENTRAL ILLINOIS

Caterpillar Tractor Company
Central Illinois Light Company
Commercial National Bank of Peoria
Funk Brothers Seed Company
Honeggers' & Company, Inc.
Illinois Power Company
S. D. Jarvis Company
Keystone Steel & Wire Company
LeTourneau-Westinghouse Company
Mississippi Valley Structural Steel Co.
Mueller Company
Princess Peggy, Inc.
J. L. Simmons Company, Inc.
A. E. Staley Manufacturing Co.
Steak & Shake

CENTRAL MASSACHUSETTS

Bay State Abrasive Products Co.
Betterley Associates
Brown & Sharpe Manufacturing Co.
Draper Corporation
Fitchburg Paper Company
Grinnell Corporation
Massachusetts Mutual Life Insurance
Company
Morgan Construction Co.
Norton Company
Riley Stoker Corp.
Simonds Saw & Steel Co.
State Mutual Life Assurance Co. of
America
The Vellumoid Company
Worcester Telegram Publishing Co.
Wyman-Gordon Company

CHICAGO

Aldens Inc.
American Bakeries Company
American Marietta Company

Automatic Electric Company
Baxter Laboratories, Inc.
Bell and Howell Company
Bowman Dairy Company
Brunswick-Balke-Collender Co.
Bureau of Safety
Butler Brothers
A. M. Castle & Company
Calumet & Hecla, Inc.
The Celotex Corporation
Central Fibre Products Company
Chemetron Corporation
City Products Corporation
Collins Radio Company
Continental Ill. Nat'l Bank & Trust Co.
of Chicago
Container Corporation of America
Consolidated Foods Corporation
Crane Company
Cuneo Press, Inc.
Curtiss Candy Co.
Helene Curtis Industries, Inc.
Encyclopedia Britannica, Inc.
R. R. Donnelley & Sons Co.
The Reuben H. Donnelley Corp.
Fairbanks, Morse & Company
Fansteel Metallurgical Corporation
Lloyd A. Fry Roofing Company
General American Transportation
Company
General Finance Corporation
Goldblatt Bros., Inc.
Graver Tank & Manufacturing Co., Inc.
Edward Hines Lumber Company
Inland Steel Company
International Minerals & Chemical Corp.
Jewel Tea Co., Inc.
Joslyn Manufacturing & Supply
Corporation
Kawneer Company
Link-Belt Company
Liquid Carbonic Corp.
Magnaflux Corporation
Marshall Field & Company
Material Service Corporation
The Meyerco Co.
Montgomery Ward & Company
Moorman Manufacturing Co.
Motorola, Inc.
National Standard Company
National Tea Company
Natural Gas Pipeline of America
Northern Trust Company
Northwestern University
Pabst Brewing Company
Passavant Hospital
The Peoples Gas Light & Coke Co.
Pullman Standard Car
Manufacturing Co.
Pure Oil Company
Quaker Oats Company
John Sexton & Company
Simoniz Company

A. O. Smith Corporation
S. C. Johnson & Son, Inc.
Spiegel, Inc.
Standard Oil Co. (Indiana)
Charles A. Stevens & Company
Stewart-Warner Corporation
The Tribune Company
United Air Lines, Inc.
United States Cold Storage Corporation
United States Gypsum Company
Victor Chemical Works
Walgreen Drug Stores
The Willett Company
Wisconsin Public Service Corporation

CINCINNATI

Acme-Newport Steel Company
American Laundry Machinery Co.
Armco Steel Corporation
Bardes Corporation
Bavarian Brewing Co., Inc.
Burger Brewing Company
R. K. LeBlond Machine Tool Company
The Cincinnati Enquirer
Cincinnati Gas & Electric Co.
Cincinnati & Suburban Bell Telephone
Co.
The Drackett Company
The Duriron Company, Inc.
The Eagle-Picher Company
Emery Industries, Inc.
Federated Department Stores, Inc.
The Fifth Third Union Trust Company
The Globe Wernicke Company
Robert Gould Company
The Hamilton Foundry & Machine Co.
The Andrew Jergens Company
The E. Kahn's Sons Company
The Kroger Company
The Lunkenheimer Company
The H. H. Meyer Packing Company
The Moser Safe Company
The Nivison Weiskopf Company
The Ohio River Company
The Procter & Gamble Company
The Provident Savings Bank & Trust Co.
Queen City Chevrolet Company
Shepard Warner Elevator Company
The Sorg Paper Co.
Toms River-Cincinnati Chemical Corp.
Trailmobile Inc.
United States Shoe Corporation
The U. S. Printing & Lithograph Co.
The George Wiedemann Brewing Co.
The Western and Southern Life
Insurance Co.

DALLAS-FT. WORTH

American Petrofina, Inc.
Austin Bridge Company
Bell Helicopter Corporation
The British-American Oil Producing
Company

Campbell Taggart Associated Bakeries, Inc.
 Chance Vought Aircraft, Inc.
 Coca-Cola Bottling Company
 Collins Radio Co. (Texas Division)
 Comet Rice Mills
 Dallas Power & Light Co.
 Dearborn Stove Company
 Dresser Industries, Inc.
 The Frito Company
 General American Oil Co. of Texas
 Gifford-Hill & Co., Inc.
 Intercontinental Mfg. Company, Inc.
 Lone Star Gas Company
 Lone Star Steel Company
 Magnolia Petroleum Company
 The Murray Company of Texas, Inc.
 The Schoellkopf Company
 Olmsted-Kirk Company
 Otis Engineering Corp.
 Dr. Pepper Company
 Southern Union Gas Company
 Sun Oil Company
 Temco Aircraft Corporation
 Texas Instruments, Inc.
 The Times Herald Printing Company

DELAWARE VALLEY

American Viscose Corp.
 Atlantic City Electric Company
 Atlas Powder Company
 The Atlantic Refining Company
 Bestwall Gypsum Company
 The Budd Company
 Best Markets, Inc.
 Campbell Soup Company
 Catalytic Construction Company
 Certain-teed Products Corporation
 E. I. duPont de Nemours & Co., Inc.
 The Electric Storage Battery Company
 Fidelity Mutual Life Insurance Co.
 Fidelity-Philadelphia Trust Company
 Food Fair Stores, Inc.
 General Public Warehouse Company, Inc.
 I-T-E Circuit Breaker Company
 Keasbey & Mattison Company
 Kaiser Metal Products, Inc.
 Lavino Shipping Company
 Martin Century Farms, Inc.
 Mutual Rendering Company, Inc.
 Penn Fruit Company
 Penn Mutual Life Insurance Co.
 Philadelphia Electric Company
 The Philadelphia Saving Fund Society
 Publicker Industries
 Radio Corporation of America
 S.K.F. Industries, Inc.
 Smith, Kline & French Laboratories
 Sun Clothes, Inc.
 United Engineers & Constructors, Inc.
 The United Gas Improvement Company

DETROIT

Allen Industries, Inc.
 American Blower Corporation
 American Motors Corporation
 Bull Dog Electric Products Company
 Burroughs Corporation

Chrysler Corporation
 Darin & Armstrong, Inc.
 Davidson Brothers
 Detroit Gasket & Manufacturing Company
 Detroit Harvester Company
 The Detroit Edison Company
 Detroit Steel Corporation
 Ex-Cell-O Corporation
 Fenestra, Inc.
 Ford Motor Company
 Freuhauf Trailer Company
 Gar Wood Industries, Inc.
 General Motors Corporation
 Goddard & Goddard Company
 The J. L. Hudson Company
 Hygrade Food Products Corporation
 Kelsey-Hayes Wheel Company
 King-Seeley Corporation
 S. S. Kresge Company
 Lyon Incorporated
 McCord Corporation
 McLouth Steel Corporation
 Michigan Bell Telephone Co.
 Michigan Consolidated Gas Company
 Michigan Wisconsin Pipe Line Co.
 Micromatic Hone Corporation
 The Murray Corporation of America
 National Bank of Detroit
 Parke Davis & Company
 Pfeiffer Brewing Company
 Square D Company
 The Udyllite Corporation
 The Upjohn Company
 The Valeron Corporation
 Verners Ginger Ale, Inc.
 Woodall Industries, Inc.
 Wyandotte Chemicals Corporation

HOUSTON

Ada Oil Company
 American Warehouses, Inc.
 Anderson Clayton & Company
 Bank of the Southwest
 Brown and Root, Inc.
 Cameron Iron Works, Inc.
 Converted Rice, Inc.
 The Dow Chemical Co.
 Eastern States Petroleum Co. Inc.
 Fish Services Corporation
 Halliburton Oil Well Cementing Co.
 Homco
 Humble Oil & Refining Company
 Jefferson Lake Sulphur Company
 Johnson Testers
 Perforating Guns Atlas Corp.
 Petro-Tex Chemical Corporation
 Quintana Petroleum Corporation
 J. Ray McDermott & Company
 National Lead Company, Baroid Division
 River Oaks Corporation
 Schlumberger Well Surveying Corp.
 Sheffield Steel Division of Armco Steel Corporation
 A. O. Smith Corporation of Texas
 Tennessee Gas Transmission Co.
 Texas Manufacturing Association
 Transcontinental Gas Pipe Line Corp.
 Trunkline Gas Company

Tuboscope Company
 Union Carbide Chemical Company
 J. Weingarten, Inc.
 Win Hawkins Drilling Company

MARYLAND

Army & Air Force Exchange Service
 The Arundel Corporation
 Baltimore Contractors, Inc.
 Cafritz Construction Co.
 Catalyst Research Corporation
 City Baking Company
 W. T. Cowan, Inc.
 Crown Central Petroleum Corp.
 The Davison Chemical Corporation
 Ellicott Machinery Corporation
 L. Greif & Brother, Inc.
 Gunther Brewing Co., Inc.
 The Hecht Company
 Hutzler Brothers Co.
 Insurance Buyers' Council
 Harry T. Campbell Sons Corp.
 Emerson Drug Company
 Maryland Shipbuilding & Drydock Co.
 McCormick & Co., Inc.
 Mercantile Safe Deposit & Trust Co.
 Merchants Terminal Corp.
 The National Brewing Co.
 Office of Naval Material
 Department of the Navy
 Newport News Shipbuilding & Drydock Co.
 Schmidt Baking Co., Inc.

MINNESOTA

Andersen Corporation
 Cargill, Incorporated
 College of St. Thomas
 Coca-Cola Bottling Co. of Minnesota
 The Creamette Co.
 Curtis 1000, Inc.
 Coast to Coast Stores—
 Central Organization, Inc.
 The Economics Laboratories, Inc.
 Flour City Brush Company
 Federal Cartridge Corporation
 First National Bank of Minneapolis
 Fitger Brewing Company
 Fullerton Lumber Company
 Gamble-Skogmo, Inc.
 M. A. Gedney Company
 General Mills, Inc.
 Green Giant Company
 Theo. Hamm Brewing Company
 Geo. A. Hormel & Co.
 Hubbard Milling Company
 Industrial Aggregate Co.
 International Milling Company
 Josten Manufacturing Company
 Landers-Norblom-Christenson Co.
 Maple Island, Inc.
 Mayo Clinic
 Maney Bros. Mill & Elevator Co.
 Minneapolis Brewing Company
 Minneapolis-Honeywell Regulator Co.
 Minneapolis-Moline Company
 Minneapolis Star & Tribune Company
 Minnesota Mining & Manufacturing Co.
 Minnesota & Ontario Paper Co.

Munsingwear, Inc.
 Nash-Finch Company
 The B. F. Nelson Mfg. Co.
 Northern Ordnance Inc.
 Northrup-King & Company
 Northwest Airlines, Inc.
 W. S. Nott Company
 Owatonna Canning Company
 Owatonna Tool Co.
 M. F. Patterson Dental Supply Co. of
 Minnesota
 F. H. Peavey & Company
 Pillsbury Mills, Inc.
 Queen Stove Works, Inc.
 Rayette, Inc.
 Red Owl Stores, Inc.
 Rochester Dairy Cooperative
 St. Paul Terminal Warehouse Co.
 J. L. Shiely Company
 Super Valu Stores, Inc.
 Toro Manufacturing Company
 Waldorf Paper Products Company
 Western Oil and Fuel Company
 Wood Conversion Company

MONTREAL

Aluminum Company of Canada, Ltd.
 Associated Textiles of Canada Limited
 Atlas Asbestos Company Limited
 Belding Corticelli Limited
 The Bell Telephone Co. of Canada
 The Bristol Aeroplane Co. of Canada
 (1956) Limited
 Canadair Limited
 Canadian Celanese Ltd.
 Canadian Industries Limited
 Canadian International Paper Company
 Canadian Marconi Company
 Canadian Pratt & Whitney Aircraft
 Company, Ltd.
 Canadian Salt Co., Ltd.
 Consolidated Paper Corporation Limited
 Distillers Corporation—
 Seagrams Limited
 Dominion Bridge Company Limited
 Dominion Engineering Works Limited
 Dominion Glass Company Limited
 Dominion Textile Company Limited
 Du Pont Co. of Canada (1956) Ltd.
 The Foundation Co. of Canada Limited
 Henry Birks & Sons Ltd.
 Howard Smith Paper Mills Limited
 Imperial Tobacco Co. of Canada Limited
 Northern Electric Company, Limited
 Molsons Brewery Limited
 Price Brothers & Company, Ltd.
 Rolls-Royce of Canada, Limited
 Shawinigan Chemicals Limited
 The Shawinigan Water and Power
 Company
 Standard Chemical Limited
 Steinberg's Limited
 Thor Mills Limited

NEW YORK

ACF Industries, Inc.
 Allied Stores Corporation
 Amerace Corporation
 American Airlines

American Broadcasting-Paramount
 Theatres, Inc.
 American Bank Note Co.
 American Can Company
 American Chicle Company
 American Cyanamid Company
 American District Telegraph Co., Inc.
 American Home Products Corp.
 American Machine & Foundry Co.
 American Management Association
 American Metal Climax, Inc.
 American News Co., Inc.
 The American Oil Company
 Anaconda Company
 Anaconda Wire & Cable Company
 Arabian American Oil Company
 Associated Dry Goods Corp.
 Avco Manufacturing Corporation
 Avon Products, Inc.
 The Babcock & Wilcox Company
 Belk Stores, Inc.
 Bell Telephone Laboratories
 Berkshire-Hathaway, Inc.
 Best Foods Division of Corn Products
 Company
 Bigelow-Sanford Carpet Co., Inc.
 Blades & Macaulay
 Sidney Blumenthal & Co., Inc.
 The Borden Company
 Bristol Myers Company
 Burlington Industries, Inc.
 The California Oil Company
 Canada Dry Corporation
 John J. Casale, Inc.
 Celanese Corporation of America
 The Chase Manhattan Bank
 The Chemstrand Corporation
 Chesapeake Industries, Inc.
 Cities Service Petroleum, Inc.
 City Stores Mercantile Company, Inc.
 Chilean Nitrate Sales Corporation
 Coats & Clark's Sales Corporation
 The Coco-Cola Export Corporation
 Colgate-Palmolive Company
 Columbian Carbon Company
 Combustion Engineering, Inc.
 Commercial Solvents Corporation
 Commonwealth Services, Inc.
 Congoleum-Nairn, Inc.
 Consolidated Cigar Corp.
 Continental Can Company, Inc.
 Continental Grain Company
 Corporate Advisors, Inc.
 Curtiss-Wright Corporation
 Daystrom, Inc.
 Diesel Vessel Operators, Inc.
 Doubleday & Company, Inc.
 Dugan Brothers, Inc.
 The Dime Savings Bank of Brooklyn
 Dow, Jones & Co., Inc.
 Ebasco Services Incorporated
 Esso Research and Engineering Company
 Thomas A. Edison, Inc.
 El Paso Natural Gas Company
 Electrolux Corporation
 Esso Standard Oil Company
 Ethyl Corporation
 Federal Paper Board Co., Inc.
 The First National City Bank of
 New York

The Firth Carpet Company
 The Flintkote Company, Inc.
 The F. & M. Schaefer Brewing Company
 Foster-Wheeler Corp
 Robert Gair Co., Inc.—Division
 of Continental Can Company, Inc.
 Geigy Chemical Corporation
 General Aniline & Film Corporation
 General Baking Company
 General Dynamics Corporation
 General Electric Company
 General Foods Corp.
 Gibbs & Hill, Inc.
 W. R. Grace & Company
 Great Lakes Carbon Corporation
 Guaranty Trust Company
 S. Gumpert Co., Inc.
 M. & M.'s Candies, A Division of
 Food Manufacturers, Inc.
 Hess, Inc.
 Hewitt-Robins, Inc.
 Hudson Pulp & Paper Corp.
 Imperial Paper & Color Corp.
 International Business Machines Corp.
 Interchemical Corp.
 Johns-Manville Corp.
 Johnson & Johnson
 A. & M. Karagheusian, Inc.
 Kennecott Copper Corporation
 Keuffel & Esser Company
 Knickerbocker Construction Co.
 Lerner Stores Corp.
 Lever Brothers Co.
 Liggett & Myers Tobacco Co.
 Lily-Tulip Cup Corp.
 Luckenbach Steamship Company, Inc.
 Thomas J. Lipton, Inc.
 R. H. Macy & Co., Inc.
 McKesson & Robbins, Incorporated
 Manufacturers Trust Co.
 Merritt-Chapman & Scott Corp.
 Metal & Thermit Corp.
 Philip Morris Incorporated
 Muzak Corporation
 National Biscuit Company
 National Distillers and Chemical Corp.
 National Starch Products, Inc.
 The Nestle Company
 J. J. Newberry Company
 New York Herald-Tribune
 Olin Mathieson Chemical Corporation
 Otis Elevator Company
 Pan American World Airways, Inc.
 Panaminas Incorporated
 S. B. Penick & Co.
 Chas. Pfizer & Co., Inc.
 Pitney-Bowes, Inc.
 The Port of New York Authority
 Refined Syrups & Sugars, Inc.
 Reliance Manufacturing Company
 Republic Aviation Corporation
 Rheem Manufacturing Company
 Seagram-Distillers Corp.
 Shein's Express
 The Sperry & Hutchinson Company
 Sperry Rand Corporation
 Sperry Gyroscope Co.
 Standard Oil Company (New Jersey)

J. P. Stevens & Co., Inc.
 Sun Chemical Corporation
 Sunshine Biscuits, Inc.
 Sylvania Electric Products, Inc.
 Union Bag-Camp Paper Corporation
 Union Carbide Corporation
 United Aircraft Corp.
 United Hospital Fund of New York
 United Merchants & Manufacturers, Inc.
 U. S. Industries, Inc.
 United Parcel General Service Company
 United States Plywood Corporation
 United Whelan Corporation
 Universal Pictures Co., Inc.
 Vick Chemical Company
 West Chemical Products, Inc.
 Western Electric Company
 Westrex Corporation
 West Virginia Pulp & Paper Company
 Witco Chemical Company
 Worthington Corporation
 Yale Transport Corporation
 Ziff-Davis Publishing Company

NORTHERN CALIFORNIA

American Trust Company
 Guy F. Atkinson Company
 Bank of America NT & SA
 Bank of California, N.A.
 Bechtel Corporation
 California & Hawaiian Sugar Refining Corp. Ltd.
 California Packing Corporation
 California State Chamber of Commerce
 California State Dental Association
 Coast Service Company
 Consolidated Freightways, Inc.
 The Crocker-Anglo National Bank
 Crown Zellerbach Corp.
 Cutter Laboratories
 Department of Finance — State of California
 The Robert Dollar Company
 The Emporium Capwell Company
 Fibreboard Products, Inc.
 The First Western Bank & Trust Company
 Foremost Dairies, Inc.
 Honolulu Oil Corporation
 Kaiser Companies
 Kaiser Engineers
 Kern County Land Co.
 Lando Products, Inc.
 Lenkurt Electric Company, Inc.
 Leslie Salt Company
 Long Stores
 Matson Navigation Company
 Mund, McLaurin & Company
 Pacific Gas & Electric Company
 Pacific Guano Co.
 The Pacific Telephone & Telegraph Company
 Pacific Intermountain Express Company
 Port of Oakland
 Roos Bros., Inc.
 Rudiger-Lang Company
 Safeway Stores, Inc.
 Southern Pacific Company

Spreckels Sugar Company
 Standard Oil Company of California
 Swinerton & Walberg Company
 Tidewater Associated Oil Company
 Transocean Air Lines
 The Union Ice Company
 Union Lumber Company
 United Air Lines, Inc.
 University of California
 Utah Construction Company
 Wells Fargo Bank
 The Western Pacific Railroad Company
 Wilbur-Ellis Company

OREGON

The Bank of California, N.A.
 Blitz Weinhard Company
 Columbia River Packers Association, Inc.
 The First National Bank of Portland
 Georgia-Pacific Corporation
 HYster Company
 Industrial Air Products Co.
 Jantzen, Inc.
 Mail-Well Envelope Co.
 Fred Meyer, Inc.
 Oregon Pulp & Paper Company
 Portland Gas & Coke Company
 Robert Brothers
 Terminal Ice & Cold Storage Company
 The United States National Bank
 West Coast Lumbermen's Association
 White Stag Manufacturing Co.
 Willamette Iron & Steel Company
 Zidell Machinery & Supply Co.

PITTSBURGH

Allegheny Ludlum Steel Corporation
 Aluminum Company of America
 Blaw-Knox Company
 John F. Casey Company
 Consolidation Coal Company, Inc.
 Crucible Steel Company of America
 Dravo Corporation
 Duquesne Light Company
 Eastern Gas & Fuel Associates
 Edgewater Steel Company
 Eichleay Corporation
 Elliott Company
 Equipment and Supplies, Inc.
 Equitable Gas Company
 Fidelity Trust Company
 Fort Pitt Bridge Works
 Frick & Lindsay Company
 Gulf Oil Corporation
 Harbison-Walker Refractories Company
 E. J. Heinz Company
 Koppers Company, Inc.
 Mellon National Bank & Trust Company
 Mine Safety Appliances Company
 G. C. Murphy Company
 Natco Corporation
 The National Steel Corporation
 The National Supply Company
 The National-U.S. Radiator Corporation
 Neville Chemical Company
 Pennsylvania-Transformer Division of McGraw-Edison Company

Pittsburgh Coke & Chemical Company
 Pittsburgh Forgings Company
 Pittsburgh Plate Glass Company
 Pittsburgh Screw & Bolt Corporation
 Pittsburgh Steel Company
 Pittsburgh & West Virginia Railway Company
 H. H. Robertson Company
 Rockwell Manufacturing Company
 Rockwell-Standard Corporation
 The Rust Engineering Company
 Schaefer Equipment Company
 Shenango Furnace Company
 United Engineering & Foundry Company
 Watson-Standard Company
 Weirton Steel Company
 West Penn Power Company
 Westinghouse Air Brake Company
 Westinghouse Electric Corporation
 Youngstown Sheet and Tube Company

SOUTHERN CALIFORNIA

American Potash & Chemical Corp.
 Aerojet-General Corporation
 Baker Oil Tools, Inc.
 Bekins Van & Storage Company
 Belridge Oil Company
 Blue Diamond Corporation
 C. F. Braun & Co.
 California Bank
 Carnation Company
 Citizens National Trust & Savings Bank of Los Angeles
 Consolidated Rock Products Co.
 Consolidated Western Steel Division of U. S. Steel Corporation
 The Copley Press, Inc.
 Cypress Mines Corporation
 Douglas Aircraft Company, Inc.
 Ehrhart & Associates, Inc.
 The Flintkote Company (Pioneer Division)
 The Fluor Corporation, Ltd.
 Forest Lawn Company
 The Garrett Corporation
 Garrett & Company, Inc.
 Convair — A Division of General Dynamics Corporation
 Gladding, McBean & Company
 Graham Brothers, Inc.
 The Alfred Hart Distilleries, Inc.
 Hunt Foods & Industries, Inc.
 Hughes Aircraft Company
 Kaiser Steel Corporation
 Loew's Incorporated
 Latchford Glass Company
 Lockheed Aircraft Corp.
 North American Aviation, Inc.
 Northrop Aircraft, Inc.
 The McCulloch Motors Corp.
 Marquardt Incorporated
 The May Department Stores Co.
 Metropolitan Water District of Southern California
 Owl Enterprises
 Pacific Airmotive Corporation
 The Ramo-Woolridge Corporation
 Griffith Company
 Richfield Oil Corporation
 Rohr Aircraft Corporation

San Gabriel Valley Water Co.
 Security National Bank
 Signal Oil & Gas Company
 Southern California Edison Company
 Southern California Gas Co.
 Space Technology Laboratories, Inc.
 Sparkletts Drinking Water Corporation
 Sun Lumber Company
 Superior Oil Company
 Title Insurance and Trust Company
 Union Bank
 Union Oil Company of California
 United States Borax & Chemical Corp.
 Von's Grocery Company
 M. H. Whittier Company

VIRGINIA-CAROLINA

American Enka Corporation
 Belk Stores, Inc.
 Burlington Industries, Inc.
 The Chesapeake Corporation of Virginia
 Farmers Cooperative Exchanges, Inc.
 Larus & Brother Company, Inc.
 David M. Lea & Co., Inc.
 Miller & Rhoads, Inc.
 National Fruit Product Company, Inc.
 Noland Company, Inc.
 Overnite Transportation Company
 RF & P Railroad Company
 Reynolds Metals Company
 Smith-Douglass Company
 Southern States Cooperative
 Union Bag-Camp Paper Company
 Virginia Department of Highways
 Virginia Electric & Power Company

NON-CHAPTER MEMBERS

Alabama

The Ingalls Iron Works Company, Inc.
 Morrison Cafeterias Consolidated Inc.
 Vulcan Materials Company

Arizona

Hughes Aircraft Company

Arkansas

The Crossett Company

Colorado

Colorado Fuel & Iron Corp.

Connecticut

Connecticut Light & Power Co.
 The Kaman Aircraft Corporation
 Scovill Manufacturing Company
 The United States Time Corporation
 Virginia Newport News Shipbuilding &
 Drydock Co.
 Whitney Chain Company

Florida

Ryder System, Inc.

Georgia

West Point Manufacturing Company

Illinois

Barber-Greene Company
 Deere & Company
 Granite City Steel Company
 Sundstrand Machine Tool Company

Indiana

Insurance Audit & Inspection Co.

Iowa

The Rath Packing Company

Kansas

Boeing Airplane Company
 (Wichita Division)
 The Carey Salt Company

Louisiana

The California Company
 Standard Fruit and Steamship Company
 United Gas Corporation

Maine

Central Maine Power Company
 John H. Magee

Massachusetts

Boston Housing Authority
 C. H. Sprague & Son Company
 Eastern States Farmers' Exchange, Inc.
 Godfrey L. Cabot, Inc.
 Howard D. Johnson Company
 Pocahontas Fuel Company

Michigan

Gerber's Baby Foods

Missouri

Anheuser-Busch, Inc.
 Gaylord Container Corporation
 Division of Crown Zellerbach Corp.
 Panhandle Eastern Pipe Line Co.
 Laclede Steel Company
 Monsanto Chemical Company
 Standard Milling Company
 The Seven-Up Company
 Union Electric Company of Missouri

New York

Carrier Corporation
 Columbus McKinnon Chain Corp.
 Cooperative Grange League Federation
 Exchange, Inc.
 Corning Glass Works
 Harold J. O'Neil
 Mohasco Industries, Inc.
 New York State Electric & Gas Corp.
 Rochester Gas & Electric Corp.
 Will & Baumer Candle Company

New Jersey

Merck & Company Inc.

Ohio

Addressograph-Multigraph Corporation
 Carling Brewing Company
 Cleveland Electric Illuminating
 Company
 Cleveland Pneumatic Industries, Inc.
 E. I. Evans & Company
 E. W. Bliss Company
 Firestone Tire & Rubber Company
 The Goodyear Tire & Rubber Company
 The Halle Brothers Company
 Hupp Corporation
 Ormet Corporation
 The American Crayon Company
 The General Tire & Rubber Company

The Hoover Company

The Northern American Coal
 Corporation
 The Ohio Oil Company
 The Parker Hannifin Corporation
 Peoples Broadcasting Corporation

Oklahoma

Oklahoma Gas & Electric Company
 Phillips Petroleum Company
 Sunray Mid-Continent Oil Company

Pennsylvania

Aircraft-Marine Products, Inc.
 Mathiasen's Tanker Industries, Inc.
 Titan Metal Manufacturing Co.

Rhode Island

Gorham Manufacturing Company

Tennessee

Hardwick Stove Company
 Rich's Incorporated

Virginia

Pocahontas Fuel Company

Vermont

Central Vermont Public Service Corp.
 The National Life Insurance Company

Washington

Boeing Airplane Company
 General Construction Company
 Halferty Canneries, Inc.
 Howar S. Wright Construction Company
 New England Fish Company
 Pacific American Fisheries, Inc.
 Pacific Car and Foundry Company
 Peoples National Bank of Washington
 Puget Sound Bridge and Dredging
 Company
 Puget Sound Power & Light Company
 Seattle First National Bank
 University Properties, Inc.
 West Coast Airlines, Inc.
 Weyerhaeuser Timber Company
 Whiz Fish Products Company

Washington, D.C.

National Lumber Manufacturers
 Association

West Virginia

Pennsylvania Glass Sand Corp.
 Weirton Steel Company

Wisconsin

A. Geo. Schulz Company
 Chain Belt Company
 Clark Oil & Refining Corporation
 Fred Rueping Leather Company
 Harnischfeger Corporation
 The Kurth Malting Co.
 Nordberg Manufacturing Co.

CANADA

British Columbia Electric Co. Ltd.
 Legrade Inc.
 Western Canada Breweries Limited

FRANCE

Esso Standard S.A.F.



*for commerce
and industry*

An International Insurance Service

Marsh & McLennan's international network of branch offices and correspondents offers professional insurance services to companies whose operations extend not only throughout the western hemisphere but into all parts of the world.

These services include underwriting and engineering, loss adjusting and employee benefit programming.

Representing our clients' interests we turn to their advantage an intimacy with national laws, languages, customs and currencies, an immediate familiarity with economic and political environments.

The proficiency and experience of this international Marsh & McLennan organization are available to you.

MARSH & McLENNAN
INCORPORATED

Marsh & McLennan, International
Insurance Brokers

CONSULTING ACTUARIES • AVERAGE ADJUSTERS

*Chicago New York San Francisco Minneapolis Detroit Los Angeles Boston
Pittsburgh Seattle St. Louis Indianapolis St. Paul Portland Buffalo Duluth
Atlanta New Orleans Tulsa Milwaukee Phoenix Cleveland Norfolk Charleston
Oakland Montreal Toronto Vancouver Calgary Havana Caracas London
plus representatives in 16 other South American cities*



Shortest route to Korea

"Losing my best account, I guess," the out-of-town agent answered when his friend, the AIU man, asked what he was doing in New York.

"It's a construction firm," he went on. "They want to bid on some work in Korea but I can't get them any insurance. Even here in New York I get the same answers: 'currency problems,' 'claims problems,' 'service problems,' and 'thanks, but we don't want it.' Korea is a long way from home, and I guess I just can't handle anything that far away."

"Well, why not?" the AIU man demanded. "It's as easy as handling your client's domestic risks."

Agents and brokers who bring foreign risk problems to AIU know that statement applies for many countries. But it may not be well known that AIU is the only American insurance organization offering total service in Korea.

"There's no currency problem," the AIU man went on. "American company policies, written for American dollar premiums, guarantee payment of Amer-

ican dollar losses. The AIU office in Korea is your guarantee of prompt claims or loss settlements. And as far as service goes — we've had nearly 40 years of giving real 'on-the-spot' American-type service."

When you have foreign risks — in Korea or elsewhere — call your regular agent or broker — *and be sure he calls AIU.*



AMERICAN INTERNATIONAL UNDERWRITERS

Boston • Chicago • Dallas • Denver • Houston
Los Angeles • Miami • New Orleans • New York
Portland • San Francisco • Seattle • Tulsa • Washington

